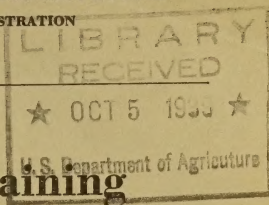


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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

WASHINGTON, D. C.



**Instructions Pertaining
to Cotton Marketing Quotas
for 1939**

**Part II. *County Office Records
and Reports***



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1939

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

**INSTRUCTIONS PERTAINING TO COTTON
MARKETING QUOTAS FOR 1939**

PART II. COUNTY OFFICE RECORDS AND REPORTS

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INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1939

PART II. COUNTY OFFICE RECORDS AND REPORTS

A. MISCELLANEOUS

SEC. 201. GENERAL INSTRUCTIONS.

Part II of these instructions relates to specific provisions of Cotton 307, Regulations Pertaining to Cotton Marketing Quotas for the 1939-1940 Marketing Year (herein referred to as "the regulations"), and outlines the nature, use and accounting for of certain forms, records, reports, accounts, and files of the county committee in connection therewith. The instructions are concerned primarily with the duties of the county committee and the treasurer of the county committee. The records, reports, accounts, and files prescribed by the regulations and these instructions shall at all times be subject to periodic as well as special examination and audit by authorized representatives of the Secretary of Agriculture or the Agricultural Adjustment Administration.¹ Each form mentioned herein is a "Cotton" form unless otherwise designated.

SEC. 202. DESIGNATION OF FARM SERIAL NUMBERS.

The farm serial numbers referred to in the regulations and these instructions shall be the serial numbers assigned to farms for the purposes of the 1939 Agricultural Conservation Program.²

SEC. 203. PROCEDURE FOR TRANSMITTING, RECEIVING, AND STORING SERIALLY NUMBERED FORMS.

All forms printed with serial numbers,³ with the exception of Form 326, will be consigned to the county committee by the State office of the Agricultural Adjustment Administration (hereinafter referred to as the State office), and each shipment thereof will be accompanied by the original and one copy of a letter of transmittal on Form 352. The treasurer of the county committee shall ascertain the correctness of each shipment by comparing the serial numbers of the particular form received with those shown on Form 352 and any discrepancies shall be noted on the original and copy of Form 352. The original of Form 352 shall be signed by the treasurer of the county committee as a receipt for such forms and returned to the State office **within 5 days** after the day the forms were received. All copies of a serially numbered form shall be filed together and so arranged that they will be issued or used in consecutive serial number order. It shall be the duty of the treasurer of the county committee to account for the

¹ In this connection, also see sec. 710 of the regulations.

² See sec. 101(b) (39) of the regulations.

³ Forms 311; 311-A; 312 and 313; 314 and 315; 319; and 319-A.

disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the office of the county committee (herein referred to as the county office), or by receipts on Form 352 for unused forms returned to the State office or forwarded to other county offices at the direction of the State office.

B. PUBLICATION AND NOTICE OF ACREAGE ALLOTMENTS, NORMAL YIELDS, AND FARM MARKETING QUOTAS

SEC. 204. PUBLICATION OF FARM ACREAGE ALLOTMENTS, NORMAL YIELDS, AND MARKETING QUOTAS.⁴

(a) **Preparation of Forms 310 and 310-A.**—As soon as cotton acreage allotments and normal yields per acre of lint cotton for farms in a county have been approved by the State office, the county committee shall have Forms 310 and 310-A prepared as follows:

1. Three copies of Form 310 and one copy of Form 310-A shall be prepared at the same time in the same typing operation, Form 310 being the first, third, and fourth copies, and Form 310-A being the second copy. Since Form 310-A is wider than Form 310, it will be necessary to fold under columns H, I, and J of Form 310-A in typing the set.

2. In the spaces indicated enter the page numbers, the State and county code number, the name of the county, and the name of the State.

3. The information and data for each farm in the county for which a cotton acreage allotment and normal yield per acre of lint cotton was established shall be entered in the numerical order of the farm serial numbers within the county (if the county is divided into two or more local administrative areas for the purpose of cotton marketing quotas, the farms in the county shall be grouped with regard to the administrative areas in which they are situated and listed by such groups) and the entries for each farm shall be made on a separate line. In the Western Division list the farms alphabetically by farm operators.

4. In column A enter the serial number of the farm.

5. Make no entry at this time in column B **or** enter in numerical order **in column B of Form 310-A only** the serial numbers of Forms 311, beginning with the first serial number of Forms 311 consigned to the county.

6. In column C enter the name of the **operator** of the farm. In the Western Division, enter below the name of the farm operator the name of each producer on the farm.

7. In column D enter either the legal description or a description of the location of the farm or else the name by which it is commonly known.

8. In column E enter the cotton acreage allotment established for the farm as shown on Forms ACP-84 or on NCR-309c or on SR-304 G or on ECR-307 or on WR-303.

9. In column F enter the normal yield per acre of lint cotton established for the farm as shown on Form ACP-84 or on NCR-309c or on SR-304 G or on SR-301 or on ECR-307 or on WR-303.

⁴ See sec. 302 of the regulations.

10. In column G enter the normal production of the farm acreage allotment obtained by multiplying the amount of the normal yield per acre entered in column F by the number of acres entered in column E.

11. Make no entries at this time in columns H, I, and J.

12. The total of column E shall be entered on line 51 of the last page of Form 310, but **not** on Form 310-A.

(b) **Distribution of Forms 310 and 310-A.**—Forms 310 and 310-A prepared as indicated in paragraph (a) shall be distributed as follows:

1. The original Form 310 shall be placed in a binder and shall be permanently kept freely available for public inspection in the county office.

2. One copy of Form 310 shall be furnished to the county agent for the county, who shall keep the list permanently available for public inspection in his office.

3. One copy of Form 310 shall be posted for not less than 30 calendar days in a conspicuous place in the county, or in each administrative area if the county has been so divided. The first and last day of the period during which the list is posted shall be entered in the spaces indicated on the original Form 310 which is retained in the county office and on the copy which is posted.

4. Form 310-A shall be placed in a binder and retained in the county office.

(c) **Revision in amount of acreage allotment or normal yield.**—

If either the cotton acreage allotment or the normal yield per acre of lint cotton for any farm is revised after Form 310 is prepared, the entry in column E or column F, as the case may be, shall be corrected by marking through but not obliterating the original entry and by entering the revised figure above the original entry. A corresponding correction shall be made in column G. The total of column E on the last page of Form 310 shall likewise be changed. The revised figures shall not be published as provided in item 3 of paragraph (b) unless the correction may be made on the posted copy of form 310 prior to the expiration of the period for which it is posted.

SEC. 205. NOTICE OF FARM ACREAGE ALLOTMENTS, NORMAL YIELDS, AND MARKETING QUOTAS.⁵

(a) **Preparation of Form 309.**—As soon as cotton acreage allotments and normal yields per acre of lint cotton for farms in a county have been approved by the State office, the county committee shall have Forms 309 prepared in duplicate as follows:

1. In the spaces indicated enter the State and county code number and farm serial number, the name and address of the farm operator, and either the legal description or a description of the location of the farm or else the name by which it is commonly known.

2. In item 1 enter the cotton acreage allotment established for the farm as shown in column E of Form 310.

3. In item 2 enter the normal yield per acre of lint cotton established for the farm as shown in column F of Form 310.

4. In item 3 enter the normal production of the farm acreage allotment as shown in column G of Form 310.

5. After the county committee has approved the notice, **one member of the committee shall sign the original and the copy and enter the date of his signature in the spaces indicated on the original and the copy.**

⁵ See secs. 302 and 307 of the regulations.

(b) **Distribution of Form 309.**—The distribution of Form 309 shall be as follows:

1. Mail the original to the operator of the farm. It must be deposited in the United States mails in an envelope addressed to the farm operator on the day, as indicated by the date following the signature of the committeeman, on which it was signed.⁶

2. The copy, bearing the signature of the county committeeman and the date thereof, that is, **the date on which it was signed and mailed**, shall be placed in the folder for the farm or placed in a binder in the numerical order of the farm serial numbers.

3. A copy of the executed Form 309, duly certified as true and correct by a member of the county committee or the secretary or treasurer thereof, shall, upon request, be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the cotton produced in 1939 on the farm.

(c) **Revision in amount of acreage allotment or normal yield.**—If either the cotton acreage allotment or the normal yield per acre of lint cotton for any farm is revised after the notice on Form 309 was mailed to the operator of the farm, **a new notice on Form 309**, showing the revised cotton acreage allotment, or normal yield, or both, as the case may be, and the changed amount of the farm marketing quota as expressed in terms of the normal production of the farm acreage allotment, shall be prepared as outlined in paragraph (a) of this section and distributed as outlined in paragraph (b) of this section with the exception that the word "Revised" shall be typed in the heading of Form 309 and the notice shall be accompanied by a brief letter stating that this notice supersedes the former notice and giving the reasons therefor, and the copy of the revised notice and the letter of explanation shall be securely attached to the previous notice.

C. MEASUREMENT OF FARMS

SEC. 206. PROCEDURE FOR MEASUREMENT OF FARMS.⁷

For the purpose of the cotton marketing quota provisions, each farm for which a cotton acreage allotment was established or on which cotton was planted in 1939 shall be measured in accordance with the established procedure of the Agricultural Adjustment Administration and a record of such measurements shall be kept among the records of the county office.

SEC. 207. REPORT OF MEASUREMENTS FOR OVERPLANTED FARMS.

(a) **Preparation of Form 318.**⁸—The county committee shall execute in duplicate and file promptly with the State committee for each overplanted farm in the county a written report on Form 318 prepared as follows:

1. In the spaces indicated enter the State and county code number, the sheet number, the total number of sheets in the report, the name of the county, and the name of the State.

2. Enter the information and data for each farm on a separate line.

⁶ Form 309 is the notice referred to in sec. 203 of the Review Regulations (38-A. A. A.-2) and any application for a review of the quota must, as set forth in sec. 300 of the Review Regulations, be made within 15 days after the mailing of the notice.

⁷ See sec. 401 of the regulations.

⁸ See sec. 402 of the regulations.

3. In column A enter the farm serial number.
4. In column B enter the name of the operator of the farm.
5. In column C enter **the names of all other cotton producers on the farm.** The name of each such producer shall be entered on a separate line, and the names of all cotton producers on the farm shall be entered on consecutive lines.
6. In column D enter the number of acres in cultivation on the farm. In the Southern, Western, and East Central Regions, enter the acreage from column 5 of Form ACP-84 and in the North Central Region, from column 11 of Form NCR-309c.
7. In column E enter the cotton acreage allotment established for the farm.
8. In column F enter the acreage planted to cotton in 1939 on the farm.
9. The totals of columns D, E, and F, respectively, shall be entered on the last sheet of the report.
10. The report shall be examined by the county committee and, if found to be correct, the original and copy shall be dated and signed by a member of the committee on its behalf.

(b) **Distribution of Form 318.**—The distribution of Form 318 shall be as follows:

1. The original shall be mailed to the State committee.
2. The copy shall be placed in a binder and kept as a permanent record in the county office.

SEC. 208. REVISION IN AMOUNT OF COTTON ACREAGE ALLOTTMENT OR REPORT OF MEASUREMENT.

If any revision is made in the amount of the cotton acreage allotment for any farm or the report of the acreage planted to cotton is changed for any farm and the change or revision alters any figure previously reported on Form 318 or would result in classifying a farm previously reported as an underplanted farm as an overplanted farm, the change or revision shall be set forth in a letter to the State committee signed by a member of the county committee and a copy of the letter attached to Form 318 and the change or revision entered on the county office copy of Form 318. If there are numerous changes of the latter type, a revised Form 318 shall be prepared and distributed as indicated in section 207 of these instructions.

D. HANDLING REPORTS FROM GINNERS*

SEC. 209. ESTABLISHING RECORDS FOR EACH GIN IN THE COUNTY.

The county committee shall ascertain the name and address of each gin situated within the county and the name and address of the operator or owner of the gin and determine whether such operator or owner is an individual, partnership, corporation, etc., and whether the gin is owned or leased by the operator. Consecutive serial numbers, beginning with number 1, for the gins shall be assigned for the purpose of identifying and filing Forms 316 and 326. A supply of Forms 316 and 326, together with a copy of the regulations, shall be furnished to each ginner and the use and execution of the forms shall

* See secs. 801 and 802(c) of the regulations. A ginner may also be a buyer and a producer. This subpart deals only with the records and reports required of a person in his capacity as a ginner as distinguished from his activities as a buyer or a producer, or both. For the definition of a ginner, see sec. 101(b) (21) and 101(b) (34) of the regulations.

be **explained to him in detail.** After the serial numbers have been assigned to all gins, a listing shall be prepared in quadruplicate to show the following information: (1) The gin serial number; (2) the name of the gin; (3) the full mail address of the gin; (4) the name of the owner or operator; (5) the full mail address of the owner or operator; (6) whether the gin is operated by one or more individuals, a partnership, corporation, etc., and (7) whether the gin is owned or leased by the operator. The original and two carbon copies of the listing shall be forwarded to the State office and the original and one carbon copy forwarded by it to the Regional Director. The first carbon copy shall be retained in the files of the county office.

SEC. 210. AUDIT OF FORM 316.

Immediately after the receipt of Forms 316, the county office shall examine the report as follows to determine whether it has been correctly prepared:

1. The State and county code number must appear in the space provided and, if it has not been entered by the ginner, shall be entered by the county office and the ginner notified by letter of the State and county code number.

2. The period covered by the report must be properly shown in the spaces provided.¹⁰

3. The total number of sheets in the report and the sheet numbers shall be verified. Any discrepancy shall be verified with the ginner.

4. Part I must be properly executed.¹¹

5. The name of the gin, the full mail address of the gin, and the name of the county in which it is located must appear in part II.

6. The county office shall enter in part III the serial number of the gin and the report number of the gin, which shall begin with No. 1 for the first report and continue thereafter in numerical sequence for each consecutive report. If a corrected report or a supplement to a previous report is received, the report shall be marked "Supplemental" and identified by the report number of the report which is being corrected or supplemented.¹²

7. The farm serial number or numbers for each bale or lot of cotton if less than a bale must appear in column A except in cases where cotton is sold in the seed and ginned in the name of the purchaser.¹³ In the latter event, all such cotton must be shown on a separate set of Form 316.¹⁴

8. The date of ginning must appear in column B for each item covered by the report.¹⁵

9. The name of the farm operator must appear in column C,¹⁶ except in cases where cotton is sold in the seed and ginned in the name of the purchaser. In the latter event, the name of the purchaser must be the same as that shown on the related Form 326 which is submitted with the report or which has been submitted previously.¹⁷ The name of the farm operator in column C must be in

¹⁰ See sec. 801(b) of the regulations and par. A.1 on the reverse side of Form 316.

¹¹ See par. A.3 on the reverse side of Form 316.

¹² See par. A.4 on the reverse side of Form 316.

¹³ See par. B.1 on the reverse side of Form 316.

¹⁴ See par. C.3 on the reverse side of Form 316.

¹⁵ See par. B.2 on the reverse side of Form 316.

¹⁶ See par. B.3 on the reverse side of Form 316.

¹⁷ See par. C.3 on the reverse side of Form 316 and sec. 211 of these instructions.

agreement with the farm serial number in column A. If they do not agree, the producer and the ginner must be so advised and the ginner requested to submit a supplemental report showing the correct information for the cotton.

10. The name of the producer, if other than the operator, must appear in column D¹⁸ except where cotton sold in the seed and ginned in the name of the purchaser is also covered by a Form 326.¹⁹ In cases where there are tenants or sharecroppers on the farm, and no entry is made in column D or the entries in column D indicate that all of the cotton is ginned for a few of the tenants or sharecroppers to the exclusion of others, the operator of the farm should be notified and asked to verify the correctness of the ginner's report and the ginner should be advised of the circumstances in order that future reports may be correctly prepared. **This column of the report is of particular importance in the case of an overplanted farm, an underplanted farm in connection with which there is carry-over penalty cotton, and a farm for which red marketing cards are issued.**²⁰

11. The name of the county and State in which the farm is located must appear in column E, except in cases where cotton sold in the seed and ginned in the name of the purchaser is covered by a Form 326.²¹

12. The gin bale number or mark must appear in column F.²² In cases where the bale of cotton was produced on two or more farms by a single producer, or by several producers, a separate line on Form 316 will be required for the entries for each farm and for each producer and the county office should circle the bale number or mark appearing in column F to clearly indicate that the several entries relate to a single bale of cotton.²³

13. The serial number of the gin ticket or receipt issued to the producer from the ginner or prepared by him with respect to the transaction must appear in column G. If the serial number of the gin ticket or receipt and the bale number are the same, the word "Same" may be entered in column G.²⁴

14. The gross weight of the bale (including bagging and ties) must appear in column H. Where a bale of cotton was produced on two or more farms by a single producer or by several producers, the amount of cotton in each bale attributable to each farm and to each producer must appear on separate lines in column H.²⁵

15. In column I, the county office shall enter the figure "22" pounds in the case of a square bale, except that, if the bagging is made from cotton, the figure shall be "14" pounds, and enter the figure "3" in the case of a round bale.²⁶ Where a bale of cotton was produced on two or more farms by a single producer or by several producers, a single entry only in column I shall be made as indicated above for the several entries in column H for the single bale.

¹⁸ See par. B.4 on the reverse side of Form 316.

¹⁹ See par. C.3 on the reverse side of Form 316 and sec. 211 of these instructions.

²⁰ See secs. 225(e) 2; 225(f); 225(g) and 226 of these instructions.

²¹ See pars. B.5 and C.3 on the reverse side of Form 316 and sec. 211 of these instructions.

²² See par. B.6 on the reverse side of Form 316.

²³ See pars. C.1 and C.2 on the reverse side of Form 316.

²⁴ See par. B.7 on the reverse side of Form 316.

²⁵ See pars. B.8, C.1, and C.2 on the reverse side of Form 316.

²⁶ See par. B.9 on the reverse side of Form 316.

16. In column J the county office shall enter the result obtained by subtracting the entry in column I from the entry in column H. Where a bale of cotton was produced on two or more farms by a single producer or by several producers, the weight of the bagging and ties shall be distributed proportionately among the several entries in column H in making the deduction so that an entry will appear in column J for each figure in column H for the bale.

17. In all cases where cotton is sold in the seed and ginned in the name of the purchaser, including "toll" cotton, that is, cotton received by the ginner in lieu of a cash ginning charge, the cotton **must be shown on a separate set of Form 316 and not included on the Form 316 prepared for cotton ginned for and in the name of the producer.** Where this procedure has not been followed by the ginner, the errors shall be called to the attention of the ginner, and a request should be made that he observe the procedure outlined in paragraph C.3 of the instructions printed on the reverse side of Form 316 and that he submit a properly executed Form 316 as a supplement to the previous report.

18. The totals of columns H, I, and J shall be entered beneath line 40 on the last page of each report of the Form 316 prepared for cotton ginned for and in the name of the producer.²⁷ Do not include in the totals the figures on the reports prepared as indicated in item 17 above.

SEC. 211. AUDIT OF FORM 326.

Immediately after the receipt of Form 326 from the ginner, the county office shall examine the report as follows to determine whether it has been correctly prepared:

1. The county office shall enter above the title of Form 326 the name of the gin from which the report was submitted, followed by the gin serial number and report number.²⁸

2. The name of the buyer and his full mail address must appear in the spaces provided and the certificate of the buyer must be executed.²⁹

3. The farm serial number must appear in column (A).³⁰

4. The name of the county and State in which the cotton was produced must appear in column (B).³¹

5. The name of the operator of the farm on which the cotton was produced must appear in column (C).³²

6. The name of *each* producer, including the operator, who has an interest in the seed cotton purchased must appear in column (D).³³

7. The share of each producer, expressed in pounds of **seed cotton**, must appear in column (E).³⁴

8. The share of each producer, expressed in the estimated pounds of **net lint cotton** in the seed cotton, must appear in column (F).³⁵

9. If the seed cotton listed on Form 326 can be identified with a bale or bales of cotton shown on the set of Form 316 prepared for cotton ginned in the name of the purchaser of seed cotton, the county office shall—

²⁷ Also see sec. 215(a) of these instructions.

²⁸ See sec. 209 and item 6 of sec. 210 of these instructions.

²⁹ See the introductory paragraph on the reverse side of Form 326.

³⁰ See par. (2) on the reverse side of Form 326.

³¹ See par. (3) on the reverse side of Form 326.

³² See par. (4) on the reverse side of Form 326.

³³ See par. (5) on the reverse side of Form 326.

³⁴ See par. (6) on the reverse side of Form 326.

³⁵ See par. (7) on the reverse side of Form 326.

- (i) Enter the net weight of the bale or bales in the total line of column (G);
- (ii) Divide the amount so entered in column (G) by the total of column (E) and enter the resulting percentage figure, carried to the fourth decimal place in the heading of column (G);
- (iii) Multiply each figure in column (E) by the percentage figure in the heading of column (G) and extend the result in column (G).

SEC. 212. COTTON PRODUCED ON FARMS LOCATED IN OTHER COUNTIES.

(a) **Form 316.**—A **separate** Form 316 shall be prepared by the county office for each ginner's report with respect to farms located in **each of the other counties** shown by column (E) of the original Form 316 received from the ginner. The following information shall be entered on each Form 316 so prepared:

1. Above the title of Form 316 enter the word "Extract."
2. In the spaces indicated enter the State and county code number for the State and county in which the gin is situated; the sheet number and the number of sheets which will be required to list the farms located in a particular county; the period covered by the ginner's report from which the information is being taken; the name and full mail address of the gin; the name of the manager of the gin; the serial number assigned to the gin; and the number of the report from which the information is transcribed.

3. The information appearing in columns A through J for cotton ginned from farms located in the other county shall be transcribed exactly as it appears on the original (or supplemental) Form 316 submitted by the ginner.

4. The treasurer or secretary of the county committee shall sign his name and enter his title and the date of his signature below the entries made in columns A through J.

(b) **Form 326.**—A **separate** Form 326 shall be prepared for each Form 326 received from the ginner with respect to farms located in **each of the other counties** as shown by the entry in column (B). The following information shall be entered on each Form 326 so prepared:

1. Above the title of Form 326 enter the word "Extract."
2. Line through the printed serial number and enter beneath it the serial number of the Form 326 from which the information is being transcribed.

3. In the space above the title of the form enter the name of the gin from which the report was received followed by the State and county code for the county in which the gin is located and the gin serial number.

4. In the spaces indicated enter the name and full mail address of the buyer and the information appearing in the certificate of the buyer.

5. The information appearing in columns (A) through (G) for cotton purchased from the farms located in the other county shall be transcribed exactly as it appears on the Form 326 from which it is being transcribed.

6. The treasurer or secretary of the county committee shall sign his name and enter his title and the date of his signature below the entries made in columns (A) through (G).

(c) **Distribution of extracts.**—The original of Form 316 or Form 326 prepared as outlined in paragraphs (a) and (b) shall be mailed to the treasurer of the county committee for the county in which the farms are located and a copy retained in the county office in which it is prepared. If an extract is **not** to be prepared for the period for an adjoining county or a county for which an extract was previously furnished, the treasurer or secretary of the county committee shall notify the treasurers or secretaries of the county committees for the adjoining or other counties that no extract for the period will be prepared for the reason that no cotton from the adjoining or other counties was ginned within the county and no Form 326 was received. **The extracts must be forwarded to the other counties within 5 days after the ginner's report is received.**

SEC. 213. COTTON PRODUCED ON FARMS LOCATED WITHIN THE COUNTY AND GINNED IN OTHER COUNTIES.

Each county in which the cotton is ginned will prepare and submit as outlined in section 212 of these instructions an extract showing the cotton ginned therein which was produced in other counties. **If an extract, or a notice that there will be no extract, is not received within 10 days following the last day of the period to be covered by a ginner's report from an adjoining county or other county from which an extract has been received previously, inquiry shall be directed to such county to determine whether an extract is to be received for the period.** The extract on Forms 316 and 326, respectively, shall be audited as outlined in sections 210 and 211 of these instructions with the exception that any error shall be called to the attention of the treasurer of the county committee for the county from which the extract was received, who shall in turn effect a correction of the report by communicating with the ginner or otherwise.

SEC. 214. TRANSCRIBING THE INFORMATION SHOWN ON FORMS 316 AND 326 ON INDIVIDUAL FARM RECORDS.

The information shown on Forms 316 and 326 received from ginner in the county or in the form of extracts from other counties shall be transcribed on individual farm records as follows:

1. If the farm is an underplanted farm on which no producer has carry-over penalty cotton **and** for which no red marketing card was issued, the information shall be transcribed on Form 351 as outlined in section 223 of these instructions.

2. If the farm is an overplanted farm, **or** a farm on which any producer has carry-over penalty cotton, **or** a farm for which a red marketing card was issued, the information shall be transcribed on Form 354, if necessary, and posted to Form 317 as outlined in section 225(e) of these instructions.

SEC. 215. SUMMARY OF FORMS 316 AND 326.

(a) **Preparation of Form 353 for individual gins.**—A separate Form 353 shall be prepared for each gin located in the county and for each gin from which extracts are received from other counties. As soon as Forms 316 and 326 received for a period have been audited,⁸⁶ extracts have been prepared,⁸⁷ and the information relat-

⁸⁶ See secs. 210 and 211 of these instructions.

⁸⁷ See sec. 212 of these instructions.

ing to individual farms has been posted,³⁸ a summary of the information shall be posted to Form 353 for the gin as follows, using the first line for the first report and the succeeding lines for each subsequent report:

1. In the spaces provided enter the State and county code and the gin serial number (if the gin is located in another county the gin serial number shall be preceded by the State and county code for that county).

2. In column A of part I enter the report number of Form 316.

3. In column B of part I enter the sum of the following: (i) The total gross weight of the cotton covered by the Form 316, which shall be the total of column H thereof, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser,³⁹ and (ii) the total estimated lint cotton in column (F) or column (G) of all Forms 326.⁴⁰

4. In column C of part I enter the total number of square bales shown on Form 316, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser.⁴¹

5. In column D of part I enter the total number of round bales shown on Form 316, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser.⁴¹

6. In column E of part I enter the weight of the bagging and ties of the cotton covered by Form 316 as shown in column I thereof, exclusive of any cotton which was sold in the seed and ginned in the name of the purchaser.⁴¹

7. In column F of part I enter the result obtained by subtracting the entry in column E from the entry in column B which must agree with the total of column J of Form 316, exclusive of any Forms 316 in the report which cover cotton sold in the seed and ginned in the name of the purchaser, plus the total of column (F) or column (G) of Form 326.⁴²

8. In column G of part I enter the sum of the following: (i) The total of columns J of all extracts on Form 316 for farms located in other counties and (ii) the total of columns (F) or columns (G) of all extracts on Form 326 for farms located in other counties. No entries will appear in column G of Form 353 prepared on the basis of extracts received for a gin located in another county.

9. In column H of part I enter the total net weight of cotton produced on farms located within the county.

10. Under the heading "Supplemental Reports" of part I enter the information indicated above from any supplemental report which **increases** the total amount of the cotton ginned as shown on the report which is corrected or supplemented. If the total amount of cotton on the report is **decreased**, make **no** entry under the heading "Supplemental Reports" but change the total for the report as entered on Form 353 pursuant to the foregoing item of this paragraph.

11. If any extract from the gin is prepared with respect to cotton produced on farms located in another county,⁴³ all of the extracts fur-

³⁸ See sec. 214 of these instructions.

³⁹ See item 18 of sec. 210 of these instructions.

⁴⁰ See items 8 and 9 of sec. 211 of these instructions.

⁴¹ See item 15 of sec. 210 of these instructions.

⁴² See item 18 of sec. 210 and items 8 and 9 of sec. 211 of these instructions.

⁴³ See sec. 212 of these instructions.

nished to the county shall be recorded in one of the divisions of part II of Form 353, or an additional Form 353 if extracts are furnished to more than three counties, as follows:

- a. At the beginning of the division of part II enter the name of the county to which the extracts are furnished and of the State in which it is situated.
- b. In column A of the division of part II enter the report number of the Form 316 from which the extract is taken.
- c. In column B of the division of part II enter the sum of the following: (i) The total gross weight of the cotton covered by the extract on Form 316, which shall be the total of column H thereof, and (ii) the total estimated lint cotton in column (F) or column (G) of all extracts for the period on Form 326.
- d. In column C of the division of part II enter the total number of square bales shown on the extract on Form 316.
- e. In column D of the division of part II enter the total number of round bales shown on the extract on Form 316.
- f. In column E of the division of part II enter the weight of the bagging and ties of the cotton covered by the extract on Form 316 as shown in column I thereof.
- g. In column F of the division of part II enter the result obtained by subtracting the entry in column E from the entry in column B which must agree with the total of column J of the extract on Form 316 plus the total of column (F) or column (G) of the extracts on Form 326.

12. At the end of the ginning season the totals of column B through H of part I and B through F of each division of part II shall be entered on the respective total lines.

(b) **Preparation of Form 353 as a county summary for all gins.**—A separate Form 353 shall be prepared as follows as a county summary of cotton ginned by **all gins located in the county** and for extracts received **from gins located in other counties**:

1. The title of Form 353 shall be altered to read "County Summary of Forms Cotton 316 and 326."

2. In the space provided enter the State and county code number. Make no entry in the space for the gin serial number.

3. The heading of column A should be altered to read "Period."

4. In column A of part I enter the period, for example, on the first line enter "September 1-15" and on the second line "September 16-30," and on the third line "October 1-15," etc., throughout the season on each consecutive line.

5. In columns B through H of part I enter the respective sums of the entries for the particular period in columns B through H of part I of Form 353 for all gins.⁴⁴

6. A division of part II for each county to which an extract on Form 316 or Form 326 was furnished shall be executed as follows after changing the title of column A to read "Period":

- a. At the beginning of the division of part II enter the name of the county to which the extracts were furnished and of the State in which it is situated.

⁴⁴ See par. (a) of this section.

- b. In column A of the division of part II enter the period, for example, "September 1-15," etc., throughout the season.
- c. In column B of the division of part II enter the sum of the entries for the particular period in column B of part II of Form 353 for all gins from which extracts were furnished to the particular county.
- d. In column C of the division of part II enter the sum of the entries for the particular period in column C, part II, of Form 353 for all gins from which extracts were furnished to the particular county.
- e. In column D of the division of part II enter the sum of the entries for the particular period in column D, part II, of Form 353 for all gins from which extracts were furnished to the particular county.
- f. In column E of the division of part II enter the sum of the entries for the particular period in column E of part II of the Form 353 for all gins from which extracts were furnished to the particular county.
- g. In column F of the division of part II enter the sum of the entries for the particular period in column F, part II, of Form 353 for all gins from which extracts were furnished to the particular county.

7. At the end of the ginning season the totals of columns B through H of part I, and B through F of each division of part II shall be entered on the respective total lines.

(c) **Preparation of Form 353 as a county summary of extracts received from other counties.**—A summary of the extracts received from all gins situated in a particular county ⁴⁵ shall be prepared on Form 353 as follows:

1. The word "Extracts" shall be entered in the heading above the title and the title shall be altered to read "County Summary of Forms Cotton 316 and 326."

2. The name of the county and State from which the extracts were received shall be entered in the space provided following the word "County" and no entry shall be made following the words "Gin serial No."

3. The heading of column A of part I shall be changed to read "Period."

4. In column A of part I enter the period; for example, on the first line enter "September 1-15," etc., throughout the ginning season on each consecutive line.

5. In columns B through H of part I enter the respective sums of the entries for the particular period in columns B through H of part I of all Forms 353 for all gins in the particular county for which extracts were received.

6. At the end of the ginning season the totals of columns B through H of part I shall be entered on the total line.

(d) **Reports to the State office and Regional Director.**—Not later than December 15, 1939, copies of Forms 353 as they have been prepared pursuant to paragraphs (b) and (c) of this section through the period ending November 30, 1939, shall be made in quadruplicate.

⁴⁵ See sec. 213 of these instructions.

In addition to the information shown on the original Form 353, the totals of all columns shall be entered on the copies prepared under this paragraph. The original and two copies shall be forwarded to the State office and the original shall be forwarded by it to the Regional Director. One copy shall be retained by the county office. Not later than February 15, 1940, a copy of Form 353 as it has been prepared pursuant to paragraphs (b) and (c) through the period ending January 31, 1940, shall be made in quadruplicate and distributed as indicated above. A final report shall be made in this manner at the end of the ginning season.

SEC. 216. REIMBURSING GINNERS FOR POSTAGE EXPENSES INCURRED.

The treasurer of the county committee shall furnish each ginner with postage stamps to cover the expense of submitting reports on Forms 316 and 326. Since the amount of postage required for each report cannot be determined in advance, arrangements should be made with the ginner whereby the postage stamps may be furnished to him in advance to be used as the need arises, or whereby the ginner may be reimbursed from the administrative expense funds of the county committee for the postage expense incurred by him upon the basis of a detailed statement of such expenses presented to the county committee at the end of the season. Where postage stamps are furnished in advance, a postage account should be set up for each ginner and filed in the folder for the gin. The postage account should show (1) the value of the stamps advanced and (2) the value of the stamps used in transmitting each report. The portion of the envelope bearing the canceled postage stamps should be detached and identified with the gin and the report number and filed in the folder to substantiate the postage account. Each ginner must also give receipts for the postage stamps advanced, which shall be filed in the folder for the gin to substantiate the postage account.

SEC. 217. COUNTY OFFICE FILES FOR GINNERS' RECORDS AND REPORTS.

A file shall be established for each gin in the county and for each gin located in another county for which extracts are received. The file shall contain the following:

1. All Forms 316 received from the ginner.
2. All Forms 326 received from the ginner.
3. All copies of extracts on Forms 316 and 326 furnished to other counties.
4. In the case of gins located in other counties, all extracts received in connection therewith on Forms 316 and 326.
5. Form 353 prepared for the gin.
6. All supplemental reports on Form 316.
7. A copy of all correspondence with the ginner in regard to the ginner's records and reports.
8. The postage account with the ginner.⁴⁶

SEC. 218. GINNERS FAILING OR REFUSING TO MAKE A REPORT ON FORM 316 OR TO CORRECT A REPORT MADE ON FORM 316 OR TO SUBMIT FORM 326.

If the report from any ginner for the period from the first through the fifteenth of any month has not been received on or before the twentieth of the month or if the report from any ginner for the period from the sixteenth through the last day of a month has not been

⁴⁶ See sec. 216 of these instructions.

received on or before the fifth day of the succeeding month, the county committee shall forward by registered mail (return receipt requested) to the ginner a copy of Forms 316 and 326 and a copy of the regulations. The material should be accompanied by a letter from the county committee pointing out to the ginner that the instructions relative to the proper execution of Forms 316 and 326 are printed on the reverse side thereof and directing his attention particularly to sections 373(a) and 376 of the act and sections 801, 802(c), and 806 of the regulations. The ginner should be advised in addition that the reports on Forms 316 and 326 have been prescribed in sections 801 and 802(c) of the regulations by the Secretary of Agriculture pursuant to section 373(a) of the act, which requires the ginner to make the reports requested and which makes the failure or refusal to submit the reports or the submission of a false report a misdemeanor punishable upon conviction thereof by a fine of not more than \$500 for each offense. The county committee should explain further that it is under a duty to report, in accordance with section 806 of the regulations, any case where the ginner is actually in default in order that proceedings under section 376 of the act may be instituted to enforce specifically the provisions of the act. The letter should request an immediate reply from the ginner. If no reply from the ginner is received or if his reply indicates a lack of conformance with the act and regulations, the county committee or a representative thereof, shall call at the ginner's place of business and endeavor to discuss with him the reasons he may have for not making the reports and again call to his attention the above-mentioned provisions of the act and regulations. If the ginner will not make the reports after the matter has been so discussed with him, a report **in quintuplicate** should be prepared and the original and three copies thereof transmitted to the State committee. The report as forwarded to the State committee should set forth in detail each fact in connection with the failure or refusal to submit the reports, the name and address of the gin and of the owner or operator of the gin, and show whether such owner or operator is an individual, partnership, corporation, etc., and should be accompanied by the same number of copies of all correspondence between the county committee and the ginner and all statements obtained by the committee from the ginner in connection therewith.

E. RECORDS AND REPORTS FOR UNDERPLANTED FARMS IN CONNECTION WITH WHICH NO PRODUCER HAS CARRY-OVER PENALTY COTTON AND FOR WHICH NO RED MARKETING CARD WILL BE ISSUED

SEC. 219. ISSUING WHITE MARKETING CARDS.

(a) **Conditions under which white marketing cards will be issued.**—White marketing cards (Form 311) will be issued in accordance with **this** section to the operator and, unless the county committee finds that it will not serve a useful purpose, to every producer on each farm in the county for which a cotton acreage allotment and normal yield per acre of lint cotton were established (including farms on which a pure strain of Sea Island or American-Egyptian cotton

is being produced)⁴⁷ with the following exceptions (the exceptions do not prevent the issuance of white marketing cards in case sections 501(b), 501(c), or 501(d) of the regulations are also applicable):⁴⁸

1. No white marketing card shall be issued to the producers on an overplanted farm.⁴⁹

2. No white marketing card shall be issued to the producers on a farm in connection with which one or more producers have carry-over penalty cotton.⁴⁹

3. No white marketing card shall be issued to the producers on a farm on which no cotton is planted in 1939.

4. No white marketing card shall be issued to or for any producer with respect to any farm in the county in which he has an interest as a cotton producer if he has an interest in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton. However, unless exceptions Nos. 5 or 7 below are applicable, white marketing cards may be issued to or for producers other than the multiple farm producer on any underplanted farm in the county in connection with which no producer has carry-over penalty cotton although the multiple farm producer also has an interest therein.⁵⁰ **Comment:** If, for example, a producer has an interest in two farms in the county, the first farm being an overplanted farm or a farm in connection with which he or another producer has carry-over penalty cotton and neither of these conditions exists on the second farm, the producer is not eligible to receive a white marketing card for either of the farms. However, the other producers on the second farm may be issued white marketing cards if the multiple farm producer does not participate directly in the management or control of the farm and receives merely a proportionate share of the cotton produced thereon or the proceeds of a proportionate share therein.

5. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the county in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committee determines that the issuance of a red marketing card to or for all of the producers is necessary in order to enforce the provisions of the Act.⁵¹ **Comment:** If a producer in the county has an interest in two farms in the county, the first farm being an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and neither of these conditions exists on the second farm, red marketing cards shall nevertheless be issued to or for the other producers on the second farm as well as the first farm if this is determined to be necessary. This exception applies, for example, but not exclusively, to cases where the interests of the multiple-farm producer and the other

⁴⁷ See secs. 501(a) and 505(a) of the regulations.

⁴⁸ The procedure for issuing white marketing cards pursuant to secs. 501(b), 501(c), and 501(d) of the regulations is contained in secs. 238, 239, and 240, respectively, of these instructions.

⁴⁹ See secs. 502, 503, and 505(b) of the regulations and secs. 228(a) and 229(a) of these instructions.

⁵⁰ See clause (3) of the second sentence of sec. 505(b) of the regulations.

⁵¹ See clause (2) of the second sentence of sec. 505(b) of the regulations.

producers as they affect the marketing quota provisions are closely related or the multiple-farm producer exercises a control or management over the farms or the operation of the farms is substantially identical.

6. No white marketing card shall be issued to or for any producer with respect to any farm in the State in which he has an interest as a cotton producer if (i) he has an interest in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the State committee determines that exception No. 4 above shall apply to him with respect to all farms in the State in which he has an interest.⁵² **Comment:** This exception applies, for example, but not exclusively, to cases where a producer has an interest in two farms, the first being an overplanted farm or a farm in connection with which a producer has carry-over penalty cotton and neither of these conditions exists on the second farm, and the farms are in adjoining counties or different counties and the county boundary lines are inadequate guides in separating the activities of the producer with respect to the farms insofar as the marketing quota provisions are concerned.

7. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the State in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the State committee determines that exception No. 5 above shall apply with respect to all such farms in the State.⁵³ **Comment:** This exception applies, for example, but not exclusively, to cases where a producer has an interest in two farms, the first being an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and neither of these conditions exists on the second farm, and the farms are in adjoining counties or different counties and the interests of the multiple farm producer and other producers as they affect the marketing quota provisions are closely related or the multiple-farm producer exercises a control or management over the farm or the operation of the farms is substantially identical.

8. No white marketing card shall be issued to any producer if the county committee determines that the issuance of a red marketing card rather than the issuance of a white marketing card is necessary to enforce the provisions of the Act.⁵⁴ **Comment:** This exception applies, for instance, but not exclusively, to cases where (i) a producer apparently used a white marketing card (form Cotton 211) for the 1938-39 marketing year to identify cotton marketed subject to penalty by another producer or himself or otherwise used the form Cotton 211 so issued in an attempt to evade the provisions of the act or regulations issued thereunder for the 1938-39 marketing year, (ii) where a producer who would otherwise be eligible to receive a white marketing card is so closely connected with a producer on an overplanted farm or who has carry-over penalty cotton that the issuance of a red marketing card to both producers in view of their connection is neces-

⁵² See clause (3) of the second sentence of sec. 505(b) and sec. 505(c) of the regulations.

⁵³ See clause (2) of the second sentence of sec. 505(b) and sec. 505(c) of the regulations.

⁵⁴ See sec. 501(e) of the regulations.

sary in order to enforce the provisions of the act, or (iii) a producer has planted in 1939 Sea Island or American-Egyptian cotton which is in excess of, or which, together with other varieties, is in excess of, the cotton acreage allotment for the farm and the county committee cannot determine to its satisfaction whether the cotton is from a pure strain or whether it will produce cotton the staple of which is $1\frac{1}{2}$ inches or more in length.⁵⁵

(b) **Preparation of Form 310-A.**—In issuing white marketing cards pursuant to section 501 (a) of the regulations, Form 310-A prepared with Form 310 as provided in section 204 of these instructions shall be executed for the purpose of issuing marketing cards by entering in column B in numerical order the serial numbers of the Form 311 to be issued, beginning with the first serial number of the Form 311 consigned to the county, with the exception that no entry shall be made in column B for any person to whom one or more of the exceptions enumerated in paragraph (a) is applicable. If any of the exceptions are applicable a line shall be drawn through the entries in columns A through I for the farm, and in column J the notation "Exception 1," "Exception 2," etc., as the case may be, shall be entered.

(c) **Preparation of Form 311.**—After Form 310-A has been prepared as indicated in paragraph (b), Form 311 shall be prepared as follows:⁵⁶

1. In the space indicated, enter the State and county code followed by the farm serial number shown in column A of Form 310-A opposite the corresponding marketing card serial number which has been entered in column B thereof.

2. In the space indicated, enter a description of the farm if the operator of the farm for which the Form 311 is to be issued has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.

3. The name and full mail address of the farm operator to whom the marketing card is to be issued shall be printed or typed above the words "(Print name and full mail address of farm operator)".

4. The word "Same" shall be printed or typed above the words "(Print name and full mail address of producer to whom issued)".

5. Form 311 shall then be compared with the entries in columns A, B, and C of Form 310-A to determine whether the comparable information appearing therein is identical.

(d) **Receipts for Form 311 issued to farm operators.**—The county committee shall examine each Forms 311 and 310-A prepared as indicated in paragraphs (b) and (c) and, if it finds that Form 311 so prepared may properly be issued to the operators whose names appear thereon, a member of the committee on its behalf shall sign each Form 311 and enter thereon the date of his signature. The county committee shall then issue each marketing card to the operator whose name appears thereon, who shall receipt therefor by signing his name on the applicable line in column I of Form 310-A and by entering the date of his signature in column H thereof. **Each operator receiving a Form 311 shall promptly upon its receipt sign his name (in the style shown therein) in the space provided and enter the date of his signature opposite it.**

⁵⁵ See also secs. 606 and 703 of the regulations.

⁵⁶ See sec. 501(a) of the regulations.

(e) **Preparation of Form 310-A for white marketing cards issued to producers other than the operator** (not applicable in the Western Region).—After Form 311 has been issued to farm operators as outlined in the preceding paragraphs of this section, the county committee shall have Form 310-A prepared in the original only as follows for all other producers on the farms to which the white marketing cards were issued pursuant to this section unless the county committee finds that the issuance of a white marketing card to any one of such producers will not serve a useful purpose:⁵⁷

1. In the spaces indicated enter the State and county code number, the page number, and the name of the county and State.

2. List the information for all producers on a particular farm on consecutive lines.

3. In column A enter the farm serial number.

4. In column B enter the printed serial number of the Form 311.

5. In column C enter the name of the producer to whom the Form 311 is to be issued.

6. Make no entries in the remaining columns.

(f) **Preparation of Form 311 for producers other than the operator**.—After Form 310-A has been prepared as indicated in paragraph (e), Form 311 for producers other than the farm operator shall be prepared as follows:⁵⁷

1. In the space indicated, enter the State and county code followed by the farm serial number shown in column A of Form 310-A opposite the corresponding marketing card serial number which has been entered in column B thereof.

2. In the space indicated, enter a description of the farm if the farm operator has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.

3. The name and full mail address of the farm operator shall be printed or typed above the words "(Print name and full mail address of farm operator)".

4. The name and full mail address of the producer to whom the marketing card is to be issued shall be printed or typed above the words "(Print name and full mail address of producer to whom issued)".

5. Form 311 shall then be compared with the entries in columns A, B, and C of Form 310-A to determine whether the comparable information appearing therein is identical.

(g) **Receipts for Form 311 issued to producers other than the operator**.—The county committee shall examine each Form 311 and Form 310-A prepared as indicated in paragraphs (e) and (f) and, if it finds that Form 311 so prepared may properly be issued to the producers whose names appear thereon, a member of the committee on its behalf **shall sign** each Form 311 and enter thereon the date of his signature. The county committee shall then issue each marketing card to the producer whose name appears thereon, who shall receipt therefor by signing his name on the applicable line in column I of Form 310-A and by entering the date of his signature in column H thereof. Each producer receiving a Form 311 shall promptly upon its receipt sign his name (in the style shown therein) in the space provided and enter the date of his signature opposite it.

⁵⁷ See sec. 501(a) of the regulations.

(h) **Delivery of Form 311 by mail.**—If Form 311 cannot be delivered in person to the operator or producer for whom prepared after a reasonable effort to effect the delivery in that manner, Form 310-B (individual receipt for white marketing card) shall be mailed to the operator or producer for his signature. Upon the return of this receipt to the county office the county committee shall forward by mail Form 311 to the operator or producer, accompanied by a brief letter informing the producer that the marketing card is to be used by him in identifying his cotton at the time it is marketed for sale, barter, or exchange, and cautioning him to sign his name immediately in the space indicated and enter the date thereof in order to prevent the improper use of the card, since he will be held strictly accountable for its proper use. The return receipt shall be attached to the proper Form 310-A and a reference thereto made in column I opposite the producer's name. No receipt forms will be printed but any receipt used under this paragraph shall be in the following form:

COTTON 310-B
U. S. Department of Agriculture
Agricultural Adjustment Administration

Page No. , line , of
Form 310-A

(State and county code and farm serial number)

RECEIPT FOR WHITE MARKETING CARD

Received from _____, Treasurer, _____
County Committee Form Cotton 311 serially numbered _____

Date _____

(Signature of producer to whom issued.)

SEC. 220. ISSUING FORM 311-A.

Form 311-A shall, upon request of the producer, be issued by the county committee to any producer to whom Form 311 was issued who desires to market cotton by telephone, telegraph, letter, or by any means or method other than directly to and in the presence of the buyer or transferee.⁵⁸ A record of the issuance of Form 311-A shall be kept on Form 310-A as follows:

1. Above the title enter the legend "Form 311-A."
2. In column A enter the serial number of the farm.
3. In column B enter the serial number of Form 311 issued to the operator or producer.
4. In column C enter the name of the operator or producer.
5. In columns E and F enter the first and last serial number, respectively, in the book of Form 311-A issued to the producer.
6. In the space indicated on each Form 311-A in the book the treasurer of the county committee shall enter in indelible pencil, except for the stamping of his address on the reverse side of the postal card copy of each Form 311-A-b, (i) the State and county code num-

⁵⁸ See secs. 602 and 802(a) (2) of the regulations.

ber and the serial number of the farm with respect to which Form 311-A is issued; (ii) the marketing-card serial number of the Form 311 issued to the producer; (iii) the name of the county; (iv) the name of the State; (v) the name and full mail address of the operator or producer to whom Form 311-A is issued; and (vi) on the address side of each Form 311-A-b, stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of the County Agricultural Conservation Committee."

7. The county committee shall examine Form 310-A and each Form 311-A and, if found to be correct, its approval thereof shall be indicated by a member thereof signing his name on each Form 311-A in the space indicated and entering the date on which it was issued (being the date of such approval).

8. The producer shall receipt for Form 311-A by signing his name in column I of Form 310-A and by entering the date of his signature in column H.

SEC. 221. LOST, DESTROYED, OR STOLEN WHITE MARKETING CARDS.

In case any Form 311 is lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 507 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in the folder for the farm. In case a lost, destroyed, or stolen Form 311 is to be replaced, the county committee shall issue Form 311 in accordance with the procedure contained in section 219 of these instructions, except that:

1. The word "Duplicate" shall be stamped across the face of the newly issued Form 311.

2. The legend "Lost," "Destroyed," or "Stolen" shall be entered in column J of Form 310-A opposite the entry showing the issuance of the duplicate Form 311.

3. The legend "Canceled—Lost," or "Canceled—Destroyed," or "Canceled—Stolen" shall be entered in column J of Form 310-A opposite the serial number of the lost, destroyed, or stolen Form 311.

SEC. 222. CANCELATION OF WHITE MARKETING CARDS ISSUED IN ERROR.

In case any Form 311 is erroneously issued, the county committee shall cancel it in accordance with section 508 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancelation shall be filed in the folder for the farm. The legend "Canceled" shall be entered in column J of Form 310-A opposite the serial number of the canceled Form 311. The legend "Canceled" shall be entered across the Form 311 that is canceled.

SEC. 223. RECORD OF COTTON GINNED FOR UNDERPLANTED FARMS IN CONNECTION WITH WHICH NO PRODUCER HAS CARRY-OVER PENALTY COTTON AND FOR WHICH NO RED MARKETING CARD WILL BE ISSUED.

(a) **Preparation of Form 351.**—Cotton ginned from each underplanted farm in connection with which no producer has carry-over penalty cotton and for which no red marketing card will be issued shall be recorded on Form 351 on the basis of information shown on Forms 316 and 326. Form 351 shall be executed in the original only, as follows:

1. In the spaces indicated enter the State and county code number and the consecutive sheet number of Form 351, starting with number 1, and the total number of sheets.

2. At least one column for the serial number of the gin report and at least one column for the net pounds ginned shall be allowed for each farm. **If it is indicated that more than 20 bales of cotton will be produced on the farm, as many additional columns (or sheets) as may be necessary shall be allowed for the farm.**

3. In the heading of the columns following the words "Farm Serial No." enter the farm serial numbers in consecutive order for each farm listed on Form 310-A prepared as outlined in section 219(b) of these instructions for which a white marketing card was issued.

4. In the heading of the columns following the words "Name of Operator or Producer" enter the name of the farm operator.

5. On line 29 in the column headed "Net pounds ginned" enter for each farm the amount of the farm acreage allotment. Enter the sum of such entries for the page in the margin to the right of line 29. On the last sheet of Form 351 enter the sum of the page totals.

6. On line 30 in the column headed "Net pounds ginned" enter for each farm the acreage planted to cotton in 1939. Enter the sum of such entries for the page in the margin to the right of line 30. On the last sheet of Form 351 enter the sum of the page totals.

7. In the column headed "Serial No. of gin report" enter the serial number of the gin followed by the report number of Form 316 or the printed serial number of Form 326. If the report is for a gin situated in another county, the number of the gin and report number of Form 316 shall be preceded by the code number of the State and county in which the gin is situated. For example, for the first report from gin serial No. 2 in the county enter "2-1," or for the first report from gin serial No. 3 in another county enter "74-001-3-1." If Form 316 or Form 326 for the farm covers more than one bale or item, the gin serial number and report number or the printed serial number of Form 326 shall be entered for the first item but need not be entered on the succeeding lines for the other bales or items which appear in the next column.

8. In the column headed "Net pounds ginned" enter the amount shown in column J of Form 316 or column (F) or (G) of Form 326 for the farm identified by the farm serial number and operator shown in the heading above the column. **Enter each bale or item separately on succeeding lines in the column.**

(b) **Monthly totals of cotton ginned.**—At the end of each month, the total amount of cotton ginned for the farm during the month, as shown in the column headed "Net pounds ginned" of Form 351, shall be entered in consecutive order on lines 21 through 27 thereof. Each time a subtotal is entered in the lines 21 through 27, a red line shall be drawn under the last entry in the column headed "Net pounds ginned." The subtotal so entered shall not include cotton ginned during the months which have been included in a previous subtotal. If no cotton was ginned for the month draw a line through the space for the subtotal for that month for the farm. Enter the sum of the entries for each subtotal for the page in the margin to the right of

the line. On the last sheet of Form 351 enter the sum of the page totals for the particular line. The sum of the page totals for the particular month plus the sum of the entries for the month in columns (8) through (31) of all Forms 317 must be equal to the sum of the entries for the month in column H of the county summary of Forms 316 and 326 prepared on Form 353 pursuant to sections 215(b) and 215(c) of these instructions.

(c) **Comparison of reports of cotton ginned with the producer's record.**—When it is indicated that all cotton produced on a farm has been ginned or has been harvested, the sum of the entries on lines 21 through 27 of Form 351 for each farm shall be entered on line 28 thereof. A letter shall then be forwarded to the operator of the farm requesting a report **within 15 days** of the cotton ginned and harvested from the 1939-40 crop. The letter shall state that the amount of cotton reported by the operator shall be used to verify the cotton reported by ginners and buyers and also in establishing the normal yield per acre of lint cotton for the farm in 1940. The operator shall be requested to supply the following information:

1. Whether all of the cotton produced on the farm in 1939 has been ginned.
2. The number of bales ginned.
3. The gross weight of the bales.
4. The place at which the cotton was ginned, giving the name and address of each gin.
5. The number of pounds of cotton sold in the seed from the 1939-40 crop.
6. The person to whom the seed cotton was sold.

If the county office records of cotton produced differ substantially from the operator's report, the operator shall be required to establish the fact that the report of the ginner or buyer is incorrect. The ginner or buyer shall then be requested to make a supplemental report covering the incorrect or incomplete items. The necessary corrections shall be made in lines 1 through 20 of Form 351 on the basis of the producer's record and the ginner's or buyer's supplemental reports, and the correct total shall then be entered in line 31 for the farm. This information shall be requested in each county on or before December 1, 1939, or when the ginning season in the locality is substantially complete.

(d) **Final record of cotton ginned.**—After the final net pounds produced for all farms have been determined as outlined in paragraph (c), the sum of the entries for each page of Form 351 on line 31 shall be entered in the margin to the right of line 31. On the last sheet of Form 351 enter the sum of the page totals for line 31. The sum of the page totals for line 31 of Form 351 **plus** the sum of the entries in columns (8) through (31) of all Forms 317 or the sum of the entries in columns (32) or (33) of all Forms 317 must be equal to the sum of the entries in column H of the county summary of Forms 316 and 326 prepared on Form 353 pursuant to sections 215(b) and 215(c) of these instructions. The entry on line 30 of Form 351 for each farm shall then be divided into the entry on line 31 thereof and the result entered on line 32 thereof.

F. RECORDS AND REPORTS FOR OVERPLANTED FARMS AND FARMS IN CONNECTION WITH WHICH PRODUCERS HAVE CARRY-OVER PENALTY COTTON AND FARMS FOR WHICH RED MARKETING CARDS WILL BE ISSUED

SEC. 224. REPORT ON FARM ACCOUNTS ON FORM 254.

Prior to the time any marketing cards are issued for any farm in the county, Form 350 shall be prepared and approved by the county committee and its treasurer with respect to farm accounts on Form 254 for the 1938-39 marketing year. The report on Form 350 shall also be approved by a representative of the State committee (herein referred to as "auditor") prior to the time any marketing cards are issued if this is practicable or, if not, as soon as possible after the issuance of marketing cards has been started in the county. Form 350 shall be executed in triplicate and, after approval by the county committee and its treasurer and the auditor, the original and one copy shall be forwarded to the State committee and the original thereof forwarded by it to the Regional Director and one copy shall be retained in the files of the county office. Form 350 shall be executed as follows:

1. In the spaces indicated enter the State and county code number, the name of the county, the name of the State, and the sheet number and total number of sheets.

2. In column 1 enter the 1938 farm serial number.

3. In column 2 enter the name of each producer on the farm in 1938. Enter the names of the producers on the farm on consecutive lines in the order in which they appear in column 1, part V, of Form 254. After the names of all producers on the farm have been listed, enter the word "Total" on the next succeeding line in column 1.

4. In column 3 enter the serial number of the farm on which the producer is located in 1939. If the farm on which the producer was located in 1938 and the farm on which he is located in 1939 are the same, enter the letter "S" after the farm serial number, as, for example, 52-S. If the farm on which the producer was located in 1938 and the farm on which he is located in 1939 are different, enter the letter "D" after the farm serial number, as, for example, 63-D. If a producer is located on a farm in a different county in 1939, the State and county code number for the county shall precede the farm serial number, as, for example, 74-001-63-D. If, in addition to the foregoing, any producer is interested in 1939 in more than one farm, also enter the letter "M" after the farm serial number opposite his name, as, for example, 52-S M, or 63-D M, or 74-001-63-D M, and prepare a separate listing in triplicate showing the farm serial numbers of all farms in which he has an interest in 1939 and attach a copy of the listing to each Form 350. Make no entry in column 3 opposite the word "Total" in column 1.

5. In column 4 opposite each producer's name enter the word "Over," if the farm on which he is located in 1939 is an overplanted farm, or enter the word "Under," if the farm on which he is located in 1939 is an underplanted farm. Make no entry in column 4 opposite the word "Total" in column 1.

6. In column 5 opposite the word "Total" in column 1 enter the total number of bales of cotton which the producers on the farm in 1938 had on hand at the beginning of the 1938-39 marketing year.

7. In column 6 opposite each producer's name enter the number of pounds of cotton which he had on hand on the farm in 1938 at the beginning of the 1938-39 marketing year as shown in column 3, part V, of Form Cotton 254. Enter opposite the word "Total" in column 1, the total amount of such cotton for all producers on the farm in 1938.

8. In column 7 opposite each producer's name enter his share in the actual production or the normal production, whichever is the greater, of the farm cotton acreage allotment in 1938 as shown in column 21, part VI, of Form 254 and, opposite the word "Total" in column 1, enter the total thereof for the farm as shown on line 9, column 21, part VI, of Form 254.

9. In column 8 opposite the name of each producer enter the sum of the entries opposite his name in columns 6 and 7 and, opposite the word "Total" in column 1, enter the total thereof.

10. In column 9 opposite the word "Total" in column 1 enter the total number of bales of cotton produced in 1938 on the farm. If the producers on the farm have seed cotton on hand which has not been ginned, the number of pounds of such seed cotton shall also be entered and the figure circled.

11. In column 10 opposite each producer's name enter his share in the total amount of cotton produced in 1938 on the farm as shown on line (a), column 20, part VI, of Form 254 and opposite the word "Total" in column 1, enter the total thereof for the farm as shown on line 9(a), column 20, part VI, of Form 254.

12. In column 11 opposite the word "Total" in column 1 enter the total number of bales of cotton marketed in 1938 from the farm.

13. In column 12 opposite each producer's name enter his share in the total amount of cotton marketed in 1938 from the farm as shown on line (b) in columns 8 through 20, part VI, of Form 254 and, opposite the word "Total" in column 1, enter the total thereof for the farm as shown on line 9(b), column 20, part VI, of Form 254.

14. In column 13 opposite each producer's name enter the amount of cotton marketed subject to penalty by him, which shall be the amount by which the entry in column 12 exceeds the entry in column 8 and, opposite the word "Total" in column 1, enter the total amount thereof for the farm. If the total amount of cotton produced in 1938 on the farm as shown in column 10 is not more than 1,000 pounds, the words "No penalty" shall be entered in column 13.

15. In column 14 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty cotton (including each bale, any part of which is carry-over penalty cotton) for the farm which is **not** pledged as security for a Commodity Credit Corporation loan. If the producers on the farm have carry-over penalty cotton which has not been ginned, the number of pounds of such seed cotton shall also be entered and the figure circled.

16. In column 15 opposite each producer's name enter the amount of his carry-over penalty cotton which is **not** pledged as security for a Commodity Credit Corporation loan, and opposite the word "Total" in column 1, enter the total amount thereof for the farm as it was operated in 1938. The weight of each bale of such cotton shall be taken from the ginner's report on Form 216 or from warehouse receipts and the amount of lint in seed cotton shall be estimated. **In**

each case a representative of the county office shall determine the amount of such cotton by actual inspection or by examination of warehouse receipts and shall make a memorandum in connection therewith showing the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change.** The farm serial number of each farm designated for this purpose shall be entered in column 15 above the poundage figure and the serial number circled.

17. In column 16 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty-free cotton (do not include any bale a part of which is carry-over penalty cotton) for the farm which is **not** pledged as security for a Commodity Credit Corporation loan. If the producers on the farm have carry-over penalty-free cotton which has not been ginned, the number of pounds of such seed cotton shall also be entered and the figure circled.

18. In column 17 opposite each producer's name enter the amount of his carry-over penalty-free cotton which is **not** pledged as security for a Commodity Credit Corporation loan and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as it was operated in 1938. The weight of each bale of such cotton shall be taken from the ginner's report on Form 216 or from warehouse receipts and the amount of lint in seed cotton shall be estimated. **In each case a representative of the county office shall determine the amount of such cotton by actual inspection or by examination of warehouse receipts and shall make a memorandum in connection therewith** showing the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change.** The farm serial number of each farm designated for this purpose shall be entered in column 17 above the poundage figure and the serial number circled.

19. In column 18 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty cotton (including each bale any part of which is carry-over penalty cotton) for the farm which is pledged as security for a Commodity Credit Corporation loan.

20. In column 19 opposite each producer's name enter the amount of his carry-over penalty cotton which is pledged as security for a Commodity Credit Corporation loan and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as it was

operated in 1938. The weight of each bale shall be determined on the basis of the producer's loan agreement. **In each case a representative of the county office shall determine the amount of such cotton by actual examination of the producer's loan agreement and shall make a memorandum in connection therewith** showing a description of the producer's loan agreement and of the cotton covered thereby. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change.** The farm serial number of each farm designated for this purpose shall be entered in column 19 above the poundage figure and the serial number circled.

21. In column 20 opposite the word "Total" in column 1 enter the total number of bales of carry-over penalty-free cotton (do not include any bale a part of which is carry-over penalty cotton) for the farm which is pledged as security for a Commodity Credit Corporation loan.

22. In column 21 opposite each producer's name enter the amount of his carry-over penalty-free cotton which is pledged as security for a Commodity Credit Corporation loan and, opposite the word "Total" in column 1 enter the total amount thereof for the farm as it was operated in 1938. The weight of each bale shall be determined on the basis of the producer's loan agreement. **In each case a representative of the county office shall determine the amount of such cotton by actual examination of the producer's loan agreement and shall make a memorandum in connection therewith** showing a description of the producer's loan agreement and of the cotton covered thereby. The memorandum shall be filed in the folder for 1939 for the farm. In case the producer has an interest in more than one farm, the producer shall be requested to designate **in writing** the farm or farms in connection with which the cotton is to be marketed during the 1939-40 marketing year and **thereafter such designation shall be final and not subject to change.** The farm serial number of each farm designated for this purpose shall be entered in column 21 above the poundage figure and the serial number circled.

23. The sum of the uncircled figures in columns 11, 14, 16, 18, and 20 must equal the sum of the uncircled figures in columns 5 and 9. If they do not agree, a satisfactory explanation signed by the producer and approved by the county committee showing the disposition of the unaccounted-for bales, such as the destruction thereof, must be attached to each copy of Form 350. The sum of the circled figures in columns 14 and 16 must equal the circled figure in column 9 or the difference satisfactorily explained as indicated above. The sum of the entries in columns 12, 15, 17, 19, and 21 must be in agreement with the sum of the entries in columns 6 and 10 with the exception of a reasonable allowance for the difference between the gin weights and the sale weights of the cotton.

24. In column 22 opposite the name of each producer enter the total amount of the penalty incurred by him which shall be the result obtained by multiplying the entry in column 13 by 2 cents.

In column 22 opposite the word "Total" in column 1 enter the total amount of the penalties incurred by all producers on the farm.

25. In column 23 opposite each producer's name enter the total amount of the money paid by or collected from him in payment of or to secure the payment of the penalty as shown on line (b), column 31, part VII, of Form 254 and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as shown on line 9(b), column 31, part VII, of Form 254.

26. In column 24 opposite each producer's name enter the total amount refunded to him as shown on line (b), column 36, part VII, of Form 254 and, opposite the word "Total" in column 1, enter the total amount thereof for the farm as shown on line 9(b), column 36, part VII of Form 254.

27. In column 25 opposite each producer's name enter that part of the amount transferred from the 1938-39 cotton special deposit trust account to the special deposit account with the Treasurer of the United States in the name of the Chief Disbursing Officer of the Treasury Department (hereinafter referred to as "1939-40 special deposit account"). This amount shall consist of the following items: (i) That part of the funds held in escrow to secure payment of the penalty in connection with unmarketed cotton which was produced in 1938 in excess of the amount of the farm marketing quota; (ii) the amount of the penalty paid in connection with cotton pledged as security for a Commodity Credit Corporation loan or paid in advance of the marketing of other cotton; and (iii) the amount of any funds which otherwise would be refunded to the producer but which he has requested the county committee to hold in escrow for the 1939-40 marketing year to secure the payment of the penalty estimated to be incurred with respect to the farm on which he is located in 1939. Any other amounts collected in excess of the penalty actually incurred shall, prior to the execution of Form 350, be refunded to the producer and included in the amount shown in column 24 of Form 350. In column 25 opposite the word "Total" in column 1 enter the total of the entries therein for all producers on the farm.^{58a}

28. In column 26 opposite each producer's name enter the amount of the penalty incurred by him which has not been paid which shall be the amount by which the entry in column 22 exceeds the entry in column 27. In column 26, opposite the word "Total" in column 1, enter the amount by which the entry in column 22 opposite the word "Total" in column 1 exceeds the entry in column 27 opposite the word "Total" in column 1, and, if the entry opposite the word "Total" in column 27 is the greater or is equal thereto, enter a zero. In computing the total of column 26 for all farms in the county, include only the amounts shown therein opposite the word "Total" in column 1.

29. In column 27 opposite each producer's name enter the amount remitted to the Secretary of Agriculture which shall be the amount by which column 23 exceeds column 24. In column 27 opposite the word "Total" in column 1 enter the total amount of the penalties remitted to the Secretary of Agriculture for the farm as shown on Form 259 and in the margin to the right of column 37 of Form 254.

^{58a} See secs. 225(h) 7, 234(g), and 238(m) of these instructions.

The entries for all of the producers on the farm in column 27 must equal the entry therein opposite the word "Total" in column 1.

30. In column 28 opposite each producer's name enter the amount, if any, by which the entry in column 27 exceeds the entry in column 22 and, opposite the word "Total" in column 1, enter the total thereof for the farm.

31. In column 29 enter the date on which the farm account was reconciled as indicated above.

32. On the last line of the last sheet in column 1 enter the words "County total" and on the last line of the last sheet enter the total of all entries in columns 5 through 28.

33. Enter in the space provided after the words "Total penalties paid (column 22 minus column 26)" the result obtained by subtracting the total of column 26 for all farms, as shown opposite the words "County total" in column 1, from the total of column 22 for all farms, as shown opposite the words "County total" in column 1.

34. Enter in the space provided after the words "Balance of collections (column 23 minus columns 24, 25, and 28)" the result obtained by subtracting from the total of column 23 for all farms, as shown opposite the words "County total" in column 1, the sum of the entries in columns 24, 25, and 28 for all farms, as shown opposite the words "County total" in column 1.

35. In the event the entry in column 3 for any producer indicates that the producer is located on a farm in another county or has an interest in a farm situated in another county, a transcript of the entries appearing for him in Form 350 shall be forwarded to the treasurer of the county committee for the county in which such farm is situated.

36. After the entries on Form 350 have been made as indicated above, the report shall be examined by the county committee and its treasurer and, if found to be correct, shall be approved by not less than two members of the committee and by the treasurer thereof, by signing their names in the spaces indicated and by entering the dates on which they approved the report.

37. After the report on Form 350 has been approved by the county committee and its treasurer, the report shall be examined by the auditor and, if he finds it to be correct, the report shall be approved by him by signing his name in the space indicated and by entering the date of his signature.

SEC. 225. PREPARATION AND EXECUTION OF FORM 317.

(a) **Conditions under which Form 317 will be prepared.**—It shall be necessary to prepare Form 317 for each farm with respect to which any one or more of the exceptions referred to in section 219(a) of these instructions are or become applicable, except that a Form 317 will not be prepared for an underplanted farm in connection with which no producer has carry-over penalty cotton where exceptions 5 and 7 of section 219(a) are applicable unless and until a red marketing card for the farm is issued to the multiple farm producer. A Form 317 shall also be prepared for each farm for which a cotton acreage allotment was established but on which no cotton is planted in 1939 if cotton from a previous crop will be marketed in connection therewith and also for each person who has

cotton on hand from a previous crop but who is not located in 1939 on a farm for which a cotton acreage allotment was established.

(b) **Initial preparation of Form 317.**—Form 317 shall be prepared in the original only and placed in a binder in the numerical order of the farm serial numbers for which it is prepared. However, a copy thereof shall be furnished free to the operator of the farm at his request. Form 317 shall be executed as follows:

1. In the spaces indicated enter the farm serial number, preceded by the State and county code number, the sheet number and total number of sheets, the name of the farm operator, and the address of the farm operator. If any producer has an interest in other farms, enter the word "Multiple" above the title of Form 317. In case a bond of indemnity on Form 323 or funds to be held in escrow to secure payment of the penalty are accepted for the farm⁵⁹ or white marketing cards are issued pursuant to section 501(c)⁶⁰ or 501(d)⁶¹ of the regulations, enter the words "Bond" or "Escrow" or "1,000 pounds" or "Penalty secured," respectively, as the case may be.

2. In column (1) enter the names of all cotton producers on the farm. The names of the operator and landlord respectively shall be entered after the names of the other producers have been listed. In column (48) enter the names of all cotton producers on the farm, including the names of the operator and landlord, in the order in which they have been listed in column 1. If there are persons on the farm in 1939 who have cotton on hand from a previous crop but who are not interested in the cotton crop produced in 1939 on the farm or in the proceeds thereof, enter the names of such persons in columns (1) and (48) after the names of all producers, including the operator and landlord, have been listed.

3. In the heading of column 2 following the words "Farm acreage allotment" enter the cotton acreage allotment established for the farm for 1939.

4. In column (2) opposite each producer's name enter his share in the acreage (expressed to the nearest tenth of an acre) planted to cotton in 1939 on the farm, as shown on the report of measurements, and, on line 11, column (2), enter the total acreage planted to cotton in 1939 on the farm.⁶²

5. In the heading of column (3) following the words "Normal yield" enter the normal yield per acre of lint cotton established for the farm for 1939.

(c) **Initial apportionment of producer marketing quotas.**—Producer marketing quotas shall first be determined by executing Form 317⁶³ as follows:

1. On line 11, column (3), enter the normal production of the farm acreage allotment determined by multiplying the farm acreage allotment by the normal yield per acre of lint cotton.

2. Divide the entry on line 11, column (3), by the entry on line 11, column (2) and enter the quotient, carried to four decimal places, in the heading of column (3) following the words "Share in normal production of acreage allotment." Multiply this quotient by the

⁵⁹ See sec. 238 of these instructions.

⁶⁰ See sec. 240 of these instructions.

⁶¹ See sec. 239 of these instructions.

⁶² See sec. 401 of the regulations.

⁶³ See item (1) of sec. 304 of the regulations and sec. 237(a) of these instructions.

entries in column (2) opposite each producer's name and enter the result for each producer in column (3). The sum of the entries in column (3) must equal the amount entered on line 11, column (3).

3. If the county committee determines that the figures in column (3) are not fair and equitable producer marketing quotas because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or any other cause, and redetermines the amount of the producer marketing quotas as originally shown in column (3), the entries in column (3) shall be circled and the corrected producer marketing quotas entered above the circled figures. A memorandum showing the reason for the change must be filed in the farm folder.⁶⁴

(d) **Record of cotton on hand from a previous crop.**—The amount of cotton on hand from a previous crop shall be recorded on Form 317 as follows:

1. In column (4) opposite each producer's name enter the amount of his carry-over penalty-free cotton which is **not** pledged as security for a Commodity Credit Corporation loan, and, on line 11, column (4), enter the total amount thereof for all producers on the farm.⁶⁵ If the producer was located in 1938 on a farm for which a farm account was established on Form 254, the amount of such cotton shall be taken from column 17 of Form 350.⁶⁶ If the producer was not on a farm in 1938 for which a farm account was established on Form 254, the burden of establishing the amount of such cotton shall rest on the producer and **in each case a representative of the county office shall determine the amount of such cotton by actual inspection or by an examination of warehouse receipts.** A memorandum in connection therewith shall be prepared by the county office representative showing therein the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The weight of each bale shall be taken from the ginner's report on Form 216 or from warehouse receipts and the amount of lint in seed cotton shall be estimated. **The weight of the bales as so determined shall not thereafter be changed or altered because of subsequent developments tending to show a different weight.** The memorandum shall be filed in the folder for the farm. In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 17 of Form 350 shall be credited with the amount of such cotton or, if the name of the producer does not appear on Form 350, he shall be requested to designate **in writing** the farm in connection with which the cotton is to be marketed and such cotton shall be credited in column (4) of the Form 317 for the farm so designated. **The designation of a farm for this purpose shall be final and not subject to change.**

2. In column (5) opposite each producer's name enter the amount of his carry-over penalty cotton which is **not** pledged as security for a Commodity Credit Corporation loan, as shown in column 15 of Form

⁶⁴ See item (4) of sec. 304 of the regulations.

⁶⁵ See item (5) of sec. 304 of the regulations.

⁶⁶ See item 18 of sec. 224 of these instructions.

350,⁶⁷ and, on line 11, column (5) enter the total amount thereof for all producers. **The weight of the bales so determined shall not be increased or decreased because of subsequent conditions which may tend to show a different weight.** In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 15 of Form 350 shall be credited with the amount of such cotton in column (5) of Form 317 prepared for the designated farm.

3. In column (6) opposite each producer's name enter the amount of his carry-over penalty-free cotton which is pledged as security for a Commodity Credit Corporation loan and, on line 11, column (6), enter the total amount thereof for all producers on the farm. If the producer was located in 1938 on a farm for which a farm account was established on Form 254, the amount of such cotton shall be taken from column 21 of Form 350.⁶⁸ If the producer was not on a farm in 1938 for which a farm account was established on Form 254, the burden of establishing the amount of such cotton shall rest upon the producer and in each case a representative of the county office shall determine the amount of such cotton by examination of the producer's loan agreement. A memorandum in connection therewith shall be prepared by the county office representative showing therein a description of the producer's loan agreement and of the cotton covered thereby. **The weight of the bales so determined shall not thereafter be increased or decreased because of subsequent conditions which may tend to show a different weight.** The memorandum shall be filed in the folder for the farm. In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 21 of Form 350 shall be credited with the amount of such cotton or, if the name of the producer does not appear on Form 350, he shall be requested to designate **in writing** the farm in connection with which the cotton is to be marketed and such cotton shall be credited in column (6) of the Form 317 for the farm so designated. **The designation of a farm for this purpose shall be final and not subject to change.**

4. In column (7) opposite each producer's name enter the amount of his carry-over penalty cotton which is pledged as security for a Commodity Credit Corporation loan, as shown in column 19 of Form 350,⁶⁹ and on line 11, column (7) enter the total amount thereof for all producers. In case the producer has an interest in more than one farm, the farm identified by the circled farm serial number in column 19 of Form 350 shall be credited with the amount of such cotton in column (7) of Form 317 prepared for the designated farm.

5. If any cotton pledged as security for a Commodity Credit Corporation loan is withdrawn from the loan, the amount previously entered in column (6) or column (7) shall be circled, and the balance of the cotton which was not withdrawn shall be entered above the circled figure. The corresponding figures in column (4) or column (5) shall be circled, and the increased amount shall be entered above the circled figure.⁷⁰

⁶⁷ See item 16 of sec. 224 of these instructions.

⁶⁸ See item 22 of sec. 224 of these instructions.

⁶⁹ See item 20 of sec. 224 of these instructions.

⁷⁰ See, in this connection, sec. 504 of the regulations and sec. 225(g)23, sec. 225(q), sec. 225(s), and sec. 230 of these instructions.

(e) **Record of cotton ginned.**—The record of cotton ginned for the farm shall be recorded on Form 317 as follows:

1. In the column headed "Gin Reference No." of columns (8) through (30) opposite each producer's name enter the gin serial number and report number as shown on Form 354⁷¹ in the case of cotton ginned by the producer and shown on Form 316. If the cotton was sold in the seed and ginned in the name of the purchaser so that the amount thereof is shown on Form 326, the gin serial number and the report followed by the printed serial number of Form 326 shall be entered in the columns headed "Gin Reference No." of columns (8) through (30). The reference to the first Form 354 or Form 326 shall be entered in column (8), and the reference to subsequent reports shall be entered in consecutive order in the columns headed "Gin Reference No." of columns (10) through (30).

2. In the columns headed "Net pounds ginned" of columns (9) through (31) opposite each producer's name enter the amount shown opposite his name in column (s) of Form 354 or, in case the cotton was sold in the seed and ginned in the name of the purchaser, the amount shown opposite his name in column (F) or column (G) of Form 326. The entries in the columns headed "Net pounds ginned" shall agree with the corresponding reference to the report entered in the preceding column headed "Gin Reference No." Form 354 for each period during which any cotton is ginned for the farm and for each gin at which the cotton was ginned shall be prepared as follows:

- a. In the spaces indicated enter the State and county code and farm serial number and the gin serial number and report number.
- b. In column (a) enter the name of each producer on the farm by or for whom cotton was ginned during the period covered by the report. The name of the operator and the landlord, respectively, shall be entered on the last two lines in column (a). If the lines on a single sheet of Form 354 are not sufficient to list the names of all producers on the farm, the name of the operator and landlord, respectively, shall be entered on the last two lines of each sheet of Form 354.
- c. In column (b) opposite the name of each producer enter the fractional share of the landlord in the cotton grown by the producer.
- d. In column (c) opposite the name of each producer enter the fractional share of the operator in the cotton grown by the producer.
- e. In column (d) opposite the name of each producer enter his fractional share in the cotton grown by him.
- f. In the heading of columns (e) through (r), following the words "Bale No.," enter in consecutive order the gin bale number or mark of each bale of cotton produced on the farm which is covered by the ginner's report.
- g. In the heading of columns (e) through (r), following the words "Net Lbs.," enter the net weight of the bale of cotton

⁷¹ See item 2 below of this paragraph. In cases where there is only one producer on the farm or in cases where there is only one producer unit on the farm, it is not necessary to transcribe on Form 354 the information appearing on Form 316, unless the county office desires a record on Form 354. In such cases, the information on Form 316 shall be posted directly to Form 317.

identified by the gin bale number or mark entered in the heading of the column.

- h. In columns (e) through (r) opposite each producer's name enter his share in the net weight of the bale of cotton identified by the bale number appearing in the heading of the column.
- i. After all cotton produced on the farm as shown on the ginner's report has been recorded as indicated above, the sum of the entries in columns (e) through (r) shall be entered in column (s) opposite each producer's name.
- j. In the heading of column (s), following the word "Total," enter the sum of the entries in the heading of columns (e) through (r) following the words "Net lbs."

3. After all of the cotton grown by or for any producer has been ginned, the sum of the entries in the columns headed "Net pounds ginned" of columns (9) through (31) shall be entered in column (32). After the cotton grown by or for all producers on the farm has been ginned, the sum of the entries in column (32) shall be entered on line 11 of column (32) on the last sheet.

4. After the reports of cotton ginned for any period, that is, from the first through the fifteenth and from the sixteenth through the last day of each month, as shown on Forms 316 and 326 have been recorded on Form 317, the total amount thereof for the farm shall be entered on line 12 of the columns headed "Net pounds ginned" of columns (9) through (31). The total for the first period during which any cotton was ginned for the farm shall be entered on line 12 column (9), and the total for each succeeding period shall be entered in consecutive order in the columns headed "Net pounds ginned" of columns (11) through (31). On line 12 in the preceding column headed "Gin Reference No." enter the last day of the period, as, for example, 8-15-39 on line 12. In the column headed "Net pounds ginned," immediately beneath the total for the period, enter the *cumulative* total of all cotton ginned for the farm during all of the periods. On line 13 in the column headed "Gin reference No." immediately beneath the entry showing the last day of the period, enter the average yield per acre of lint cotton for the farm as of that date determined by dividing the entry on line 13 of the succeeding column headed "Net pounds ginned" by the entry shown on line 11 of column (2). On line 13 of column (33) enter the average yield per acre of lint cotton for the farm determined by dividing the entry on line 11 of column (33) by the planted acreage as shown on line 11 of column (2).

5. After all cotton produced on the farm in 1939 has been marketed, or March 1, 1940, whichever is the earlier, the farm operator shall be requested to examine the entries in column (32) to determine whether (i) all cotton produced on the farm as shown by his records has been reported by the ginner on Forms 316 and 326, and (ii) the share of each producer in the total amount of cotton produced on the farm in 1939 is correctly shown. If the entries appearing in column (32) are correct, the figures shall be entered in column (33). If the figures are not correct, the records of the farm operator and of the county office shall be reconciled and the farm operator and the county committee shall make any corrections necessary and enter the correct amount for each producer and for the farm in column (33). If

Form 316 or Form 326 do not include all of the cotton as shown by the records of the farm operator, or include a greater amount, a supplemental report from the ginner or buyer, as the case may be, shall be requested from him and the increase or decrease in the production claimed shall be made only after the ginner or buyer has made the supplemental report showing that according to his records the previous Form 316 or Form 326 were incomplete.⁷²

(f) **Intermediate reapportionments of producer marketing quotas.**—In making intermediate reapportionments of producer marketing quotas in columns (34) through (39) of Form 317 the following procedure is applicable:⁷³

1. In column (34) for each producer on the farm who, at the time of the reapportionment, has completed the ginning of all cotton produced in 1939 by or for him on the farm and whose share in the cotton produced is equal to or less than the amount of his share in the normal production of the farm acreage allotment enter the sum of the following: (i) The amount of his share in the cotton produced in 1939 on the farm as shown in column (33), and (ii) the amount of the carry-over penalty cotton, up to but not in excess of the difference between his share in the cotton produced in 1939 on the farm and his share in the normal production of the acreage allotment as shown in column (3), which has actually been marketed by or for him at the time of the reapportionment. **Comment:** A producer, for example, at the time of the reapportionment has marketed 3,000 pounds of cotton. His share in the total production in 1939 on the farm is 1,500 pounds and he had on hand at the beginning of the 1939-40 marketing year 500 pounds of carry-over penalty-free cotton and 1,000 pounds of carry-over penalty cotton. His share in the normal production of the farm acreage allotment was 2,000 pounds and consequently a red marketing card for his producer marketing quota of 2,500 pounds (share in the normal production of the farm acreage allotment plus the amount of carry-over penalty free cotton) was issued to him together with a blue marketing card for the 1,000 pounds of carry-over penalty cotton. A penalty of \$10 at the rate of 2 cents per pound on 500 pounds has been paid by him. Under the facts of this example 2,000 pounds would be entered in column (34), that is, the amount of cotton produced plus the amount of carry-over penalty cotton actually marketed up to but not in excess of the difference between the amount of the cotton produced and the producer's share in the normal production of the farm acreage allotment.

2. Multiply the farm acreage allotment as shown in the heading of column (2) by the average yield per acre of the acreage planted to cotton in 1939 on the farm as shown on line 13 of the columns headed "Gin Reference No." of columns (8) through (30) for the latest period covered by ginner's reports and enter the result so obtained on line 11 of column (35).⁷⁴

3. Subtract the sum of the entries in column (34) from the entry on line 11 of column (35) but do not enter the result at this time on Form 317.⁷⁵

⁷² See secs. 210, 211, 215, and 226 of these instructions.

⁷³ See items (2) and (3) of sec. 304 of the regulations and sec. 237(b) of these instructions.

⁷⁴ See also sec. 225(e) 4 of these instructions.

⁷⁵ The results will be entered on Form 317 in the manner outlined in item 8 of this paragraph.

4. Subtract the sum of the entries in column (3) for each producer for whom an entry appears in column (34) from the entry on line 11 of column (3) but do not enter the result at this time on Form 317.⁷⁵

5. Divide the result obtained in item 3 above by the result obtained in item 4 above, but do not enter the result at this time on Form 317.⁷⁵

6. Multiply the quotient, carried to four decimal places obtained in item 5 above by the entry in column (3) for each producer for whom **no** entry appears in column (34) but do not enter the results at this time on Form 317.⁷⁵

7. If the product obtained in item 6 above for any producer who, at the time of the reapportionment, has completed the ginning of all cotton produced in 1939 by or for him on the farm, is in excess of the entry in column (33) opposite his name, the entry for the producer in column (33) shall be entered in columns (34) and (35) and circle the entry in column (35) and the calculations described in items 3 through 6 above shall be repeated until the product obtained in item 6 above is not in excess of the entry in column (33) for any producer who has completed the ginning of all cotton produced in 1939 by or for him on the farm and for whom no entry appears in column (34).

8. If, as a result of the calculations made as outlined in items 3 through 7 above, the entry in column (33) for all producers who have completed the ginning of all cotton produced in 1939 by or for them on the farm and for whom no entries appear in column (34) is not in excess of the product obtained as a result of the calculations outlined in item 6 above, the results of the calculations made as outlined in items 3 through 7 above shall be entered on Form 317 as follows: (i) enter on line 12 of column (35) the sum of all entries in column (34) and enter the result obtained under item 3 above on line 13 of column (35); (ii) enter on line 12 of column (3) the sum of the entries in column (3) for each producer for whom an entry appears in column (34) and enter the result obtained under item 4 above on line 13 of column (3); (iii) enter in the heading of column (35) the result obtained under item 5 above; (iv) enter in column (35) for each producer for whom **no** entry appears in column (34) the result obtained under item 6 above; and (v) the sum of the uncircled entries in column (35) must equal the entry on line 13 thereof.

9. Draw a line opposite each entry in column (34) from columns (35) through (45) and enter in column (46) the amounts entered in column (34), except that if there is a circled entry in column (35) pursuant to 7 above, draw a line from columns (37) through (45) and enter in column (46) the circled amounts in column (35).

10. If no entries are made in column (34) for any producer on the farm,⁷⁶ multiply the farm acreage allotment as shown in the heading of column (2) by the average yield per acre of the acreage planted to cotton in 1939 on the farm as shown on line 13 of the column headed "Gin Reference No." of columns (8) through (30) for the latest period covered by gin reports for the farm⁷⁷ and enter the result so obtained on line 11 of column (35). Divide the entry on line 11 of column (35) by the entry on line 11 of column (3) and enter the quotient, carried to four decimal places, in the heading of column

⁷⁵ The results will be entered on Form 317 in the manner outlined in item 8 of this paragraph.

⁷⁶ See items 1 and 7 of this paragraph.

⁷⁷ See also sec. 225(e)4 of these instructions.

(35). Multiply the figure in the heading of column (35) by the entry in column (3) for each producer and enter the results in column (35) opposite the producers' names. The sum of the entries in column (35) must agree with the total on line 11 of column (35).

11. If the county committee determines that the apportionment of the farm marketing quota among the producers on the farm as shown in column (35) is not fair and equitable and adjusts the amounts thereof as provided in item 4, section 304 of the regulations, the entries previously made in columns (35) and (46) shall be circled and the revised amounts for each producer entered above the circled figures.

12. In column (36) enter the amount by which the entry in column (35) for each producer exceeds the entry in column (3).

13. In making a second intermediate apportionment, the procedure outlined in items 1 through 12 above shall be followed with the exception that the entries required thereby to be made on lines 12 and 13 respectively of column (3) shall be entered on lines 12 and 13 of column (37) and columns (37), (38), and (39), respectively shall be used in lieu of columns (34), (35), and (36).

(g) **Final reapportionment of producer marketing quotas.**—In making a final reapportionment of producer marketing quotas in columns (40) through (47) of Form 317 the following procedure is applicable:⁷⁸

1. In column (40) opposite each producer's name enter the amount of his share in the cotton produced in 1939 on the farm as shown in column (33) with the exception that, if an intermediate apportionment was made,⁷⁹ make no entry in column (40) for any producer for whom an entry appears in column (46). Enter the total of the entries in column 40 on line 11 thereof.

2. On line 11 of column (41) enter the greater of the following: (i) the result obtained by multiplying the actual average yield per acre of the planted acreage as shown on line 13 of column (33) by the cotton acreage allotment as shown in the heading of column (2), or (ii) the result obtained by multiplying the normal yield as shown in the heading of column (3) by the cotton acreage allotment.⁸⁰

3. On line 12 of column (41) enter the sum of the entries in column (46).

4. On line 13 of column (41) enter the amount by which the entry on line 11 thereof exceeds the entry on line 12 thereof.

5. In the heading of column (41) enter the quotient (carried to four decimal places) obtained by dividing the entry on line 13 of column (41) by the entry on line 11 of column (40).

6. In column (41) opposite the name of each producer for whom an entry in column (40) appears enter the products obtained by multiplying the entry in the heading of column (41) by each of the entries in column (40). The sum of the entries so made must equal the entry on line 13 of column (41).

7. If the entry in column (41) for any producer is less than the largest of the entries in columns (3), (35), or (38), enter in column (46) for such producer, the largest of the entries in columns (3),

⁷⁸ See items (2) and (3) of sec. 304 of the regulations and sec. 237(c) of these instructions.

⁷⁹ See sec. 225(f) of these instructions.

⁸⁰ See secs. 301(b) and 301(c) of the regulations.

(35), or (38) with the exception that, if the entry in column (33) is smaller than the largest of such entries, the entry in column (46) shall be the entry in column (33) plus the amount of any carry-over penalty cotton marketed by such producer at the time of the final apportionment, provided that in no event shall the entry in column (46) exceed the largest of the entries in columns (3), (35), or (38).⁸¹

8. If the entry in column (41) for any producer is in excess of the entry in column (33) plus the amount of carry-over penalty cotton marketed at the time of the final reapportionment, enter in column (46) the amount in column (33) plus the amount of carry-over penalty cotton marketed.⁸¹

9. If **no** adjustments are made as outlined in items 7 and 8 above, enter in column (46) for each producer the amount shown opposite his name in column (41).

10. If **adjustments are made as outlined in items 7 and 8 above**, enter in column (42) the amount shown in column (40) for each producer for whom **no** entry appears in column (46) and enter the sum of such entries on line 11 thereof.

11. On line 11 of column (43) enter the amount from line 11 of column (41).

12. On line 12 of column (43) enter the sum of the entries in column (46).

13. On line 13 of column (43) enter the amount of which the entry on line 11 thereof exceeds the entry on line 12 thereof.

14. Divide the entry on line 13 of column (43) by the entry on line 11 of column (42) and enter the quotient (carried to four decimal places) in the heading of column (43).

15. Multiply the result obtained under item 14 above by each of the entries in column (42) and enter the products in column (43).

16. If the entry in column (43) for any producer is less than the largest of the entries in columns (3), (35), and (38) enter in column (46) for such producers, the largest of the entries in columns (3), (35), and (38) with the exception that, if the entry in column (33) is smaller than the largest of such entries, the entry in column (46) shall be the entry in column (33) plus the amount of any carry-over penalty cotton marketed by such producer at the time of the final reapportionment, provided that in no event shall the entry in column (46) exceed the largest of the entries in columns (3), (35), and (38) for such producer.⁸²

17. If the entry in column (43) for any producer is in excess of the entry in column (33), plus the amount of carry-over penalty cotton marketed at the time of the final reapportionment, enter in column (46) the amount in column (33) plus the amount of carry-over penalty cotton marketed.⁸²

18. If **no** adjustments are made as outlined in items 16 and 17 above enter in column (46) for each producer the amount shown opposite his name in column (43).

19. If adjustments are made as outlined in items 16 and 17 above, the procedure outlined in items 11 through 18 shall be followed, with

⁸¹ See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations and sec. 237(c) of these instructions.

⁸² See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations.

the exception that colmuns (44) and (45), respectively, shall be used in lieu of columns (42) and (43).

20. If adjustments are made as outlined in items 16 and 17 above for any producers for whom an entry appears in column (45), the procedure outlined in items 11 through 17 shall be repeated until the products obtained as outlined in item 15 above for all producers for whom no entry appears in column (46) are not affected by the adjustments required under items 16 and 17 above, or until an entry has been made for each producer in column (46) as outlined in items 16 and 17 above. The final products obtained as outlined in item 15 above shall then be entered in column (46) for all producers for whom no entry appears in column (46).

21. If **adjustments are made** as outlined in items 16 and 17 above for **all** producers on the farm, the amount by which the sum of column (46) exceeds the entry on line 11 of column (45) shall be divided by the sum of the entries on line 11 of columns (5) and (7) and the quotient (carried to four places beyond the decimal) but not in excess of 1.0 should be multiplied by the entry shown opposite each producer's name in column 5.

22. The product obtained under item 21 above for each producer shall be added to the entry for such producer in column (46), and the sum entered on the line opposite each such producer's name immediately above the original entry in column (46). A line should be drawn through the original entry in column (46) by using a red pencil.

23. The sum of the entries in columns (4) and (46) shall be entered in column (47) for each producer. If thereafter any penalty-free cotton is withdrawn from the loan the entry in column (47) shall be circled and the amount previously entered therein plus the amount of penalty-free cotton withdrawn from the loan shall be entered above the circled figure.⁸³

24. If the county committee determines that the figures in column (46) are not fair and equitable shares in the actual or normal production of the farm acreage allotment, whichever is the greater, because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or any other cause, and, as provided in item 4 of section 304 of the regulations, redetermines the shares as originally shown in column (46), the entries in columns (46) and (47) shall be circled and the redetermined producer marketing quotas entered above the circled figures. A memorandum showing the reasons for the change must be filed in the folder for the farm.

(h) **Record of cotton marketed and penalties at the rate of 3 cents.**—The record of cotton marketed subject to the penalty of 3 cents per pound and the amount which is marketed not subject to penalty shall be made on Form 317 as follows:⁸⁴

1. On line (a) in column (49) opposite each producer's name enter the printed serial number of the first Form 313 in the book of Form 313 accompanying the red marketing card issued to him. On line (b) in column (49) enter the serial number of the first Form 313 in the book of Form 313 accompanying any additional red

⁸³ See sec. 225(d) 5 of these instructions.

⁸⁴ See secs. 701, 802(a), 803, and 804(a) of the regulations.

marketing card issued to him.⁸⁵ If a bond of indemnity on Form 323 or funds to be held in escrow to secure payment of the penalty were accepted for the farm or if white marketing cards were issued to producers on the farm pursuant to sections 501(c) or 501(d) of the regulations, change the heading of columns (49) to read "Serial number of Form Cotton 311" and enter opposite the name of the producer the serial number of the white marketing card issued to him.⁸⁶

2. On line (a) in the columns headed "Reference No." of columns (50) through (62) enter the printed serial number of Form 313-b for each producer whose name appears in item 9 (or in the continuation thereof on an attached list) of the Form 313-b. The reference to the first Form Cotton 313-b covering the marketing of cotton by or for a producer shall be entered on line (a) in column (50) and the references to subsequent Form 313-b shall be entered in consecutive order on line (a) in the columns headed "Reference No." of columns (52) through (62).

3. On line (b) in the columns headed "Reference No." of columns (50) through (62) enter the printed serial number of Form 319⁸⁷ or Form 319-A⁸⁸ (in entering the serial number of Form 319-A, the entry shall be preceded by the letter "A") issued to the remitter of the penalty incurred with respect to the transaction covered by a particular Form 313-b. The printed serial number of Form 319 or Form 319-A shall be entered on lines (b) of the column headed "Reference No." in which the printed serial number of the related Form 313-b has been entered. If no penalty was incurred with respect to the transaction covered by a particular Form 313-b, no entry shall be made on line (b) of the column headed "Reference No." in which the serial number of the Form 313-b is recorded. If Form 313-b indicates that a penalty was incurred, that is, an entry appears in item 5 thereof, and the amount of the penalty has **not** been remitted, no entry shall be made on line (b) of the column headed "Reference No." in which the printed serial number of Form 313-b is recorded and the serial number of Form 313-b on line (a) thereof shall be circled in **red**.⁸⁹ If the penalty is subsequently remitted, the printed serial number of the Form 319 shall be entered on line (b) in the manner outlined above.

4. On line (a) in the columns headed "Amount" of columns (51) through (63) enter for each producer the number of pounds shown opposite his name in item 9 (or in the continuation thereof on an attached list) of Form 313-b. The number of pounds shown on the first Form 313-b covering the marketing of cotton by or for a producer shall be entered on line (a) of column (51), and the number of pounds covered by subsequent Form 313-b shall be entered in consecutive order on line (a) in the columns head "Amount" of columns (53) through (63).⁹⁰

⁸⁵ See secs. 228, 230, and 231 of these instructions.

⁸⁶ See secs. 238, 239, and 240 of these instructions and secs. 501(b), 702, and 707 of the regulations.

⁸⁷ See sec. 706(a) of the regulations and sec. 234(b) of these instructions.

⁸⁸ See secs. 705(c) and 706(a) of the regulations and sec. 234(e) of these instructions.

⁸⁹ In this connection see also secs. 235 and 236 of these instructions.

⁹⁰ See secs. 603, 802(a)(3), 802(a)(4), 802(a)(7), 803, and 804(a) of the regulations and sec. 233(a) of these instructions.

5. On line (b) in the columns headed "Amount" of columns (51) through (63) opposite the name of each producer having an interest in the cotton marketed, enter the amount collected as the penalty with respect to the transaction covered by a particular Form 313-b. If only one producer had an interest in the cotton marketed, the amount of the penalty collected shall be entered from item 6 of Form 313-b. If more than one producer had an interest in the cotton marketed and only a portion thereof was marketed subject to penalty, the amount of the penalty shall be entered from the related Form 355. If more than one producer had an interest in the cotton marketed, and all of it was marketed subject to penalty, the amount of the penalty to be entered for each producer shall be determined by multiplying by 3 cents the entry shown opposite his name in item 9 (or a continuation thereof on an attached list) of Form 313-b. The amount collected as the penalty shall be entered on lines (b) of the column headed "Amount" in which the cotton covered by the related Form 313-b has been entered.⁹¹ If no penalty was incurred with respect to the transaction covered by a particular Form 313-b, no entry shall be made on line (b) of the column headed "Amount" in which the cotton covered by the Form 313-b is recorded. If Form 313-b indicates that a penalty was incurred, that is, an entry appears in item 5 thereof, and the amount of the penalty has not been remitted, no entry shall be made on line (b) of the column headed "Amount" in which the cotton covered by Form 313-b is recorded until the penalty is remitted.⁹²

6. If an entry appears in item 5 of Form 315-b, the information appearing therein in item 5 and item 6 b shall be recorded on lines (a) and (b) in columns (50) through (63) in accordance with the procedure outlined in items 2 through 5 above with the exception that, in recording the printed serial number of Form 315-b, the entry shall be preceded by the letter "B", and, if more than one producer has an interest in the cotton covered thereby, the poundage to be entered on line (a) in the column headed "Amount" opposite each interested producer's name shall be taken from Form 355.⁹³

7. If funds are transferred from the 1938-39 cotton special deposit trust account to the 1939-40 special deposit account which are **not** applied as funds to be held in escrow to secure payment of the estimated penalty for the 1939-40 marketing year,⁹⁴ the transfer shall be recorded as follows:

- a. On line (a) in column (50) enter the legend "T-1938."
- b. On line (b) in column (50) enter the transmittal number of Form 359 covering the amount transmitted to the State office for deposit to the credit of the 1939-40 special deposit account.
- c. Make no entry on line (a) in column (51).
- d. On line (b) in column (51) enter the amount so transferred.

8. At the close of each month, after Forms 313-b and 315-b received during the month have been recorded as outlined in items 2 through 7 above, the total amount of cotton marketed from the farm as shown on line (a) in the columns headed "Amount" of columns (51) through

⁹¹ See sec. 233(b) of these instructions.

⁹² In this connection see also secs. 235 and 236 of these instructions.

⁹³ See sec. 233(d) of these instructions.

⁹⁴ See item 27 of sec. 224 of these instructions.

(63) shall be computed and the total amount of the penalties remitted in connection therewith as shown on line (b) in the columns headed "Amount" of columns (51) through (63) shall be computed. The totals for the farm through the first month shall be recorded on lines 11(a) and 11(b), respectively, of column (51); the **cumulative** totals through the second month shall be recorded on line 11(a) and line 11(b), respectively, of column (53); and the **cumulative** totals for subsequent months shall be entered thereafter in consecutive order in the succeeding columns headed "Amount" of columns (55) through (63). On line 11(b) of the column headed "Reference No." immediately preceding each column headed "Amount" in which the cumulative totals appear there shall be entered the month through which the cumulative totals were computed.

9. After all of the cotton grown by or for any producer in 1939 on the farm *plus* the amount of any carry-over penalty-free cotton which he had on hand has been marketed, the sum of the entries on lines (a) and (b) of columns (51) through (63) shall be entered in column (64). After all of the cotton grown by or for all producers in 1939 on the farm plus the amount of any carry-over penalty-free cotton which they had on hand has been marketed, the sum of the entries in column (64) shall be entered on lines 11(a) and 11(b) of column (64). The procedure outlined in this item shall not apply to farms for which a bond of indemnity on Form 323 or funds to be held in escrow were accepted to secure payment of the penalty or for which white marketing cards were issued pursuant to section 501(c) or 501(d) of the regulations.⁹⁵

10. After all cotton on the farm has been marketed, or March 1, 1940, whichever is the earlier, the farm operator shall be requested to examine the entries in columns (50) through (64) to determine whether (i) all cotton marketed from the farm as shown by his records has been reported on Forms 313-b and 315-b, (ii) the share of each producer in the cotton marketed is correctly shown, (iii) the amount of the penalty at the rate of 3 cents per pound collected from producers on the farm has been properly remitted and is correctly shown, and (iv) the amount of the penalty at the rate of 3 cents per pound paid by or collected from each producer is correctly shown. If the figures are correct the amounts shown in column (64) for producers who have completed the marketing of all of their cotton shall be transferred to column (65). If any of the entries for any of the producers are not correct the records of the farm operator and the county committee shall be reconciled and the farm operator and the county committee shall make any corrections necessary and enter the correct amounts for each producer and for the farm. If a buyer or transferee has failed to submit a report on Form 313-b or Form 315-b or has failed to remit the amount of any penalty collected by him, the buyer or transferee, as the case may be, shall be requested to submit the reports and penalties which are in default and the correction of Form 317 in that respect shall be made only after the reports or penalties have been submitted. If the producers on the farm have not marketed all of the cotton on the farm as of March 1, 1940, the record of cotton marketed and penalties paid as adjusted at

⁹⁵ See secs. 238, 239, and 240 of these instructions.

that time shall be made on a memorandum signed by the farm operator and placed in the folder for the farm. Thereafter, the entries in columns (50) through (64) shall be examined, and, if necessary, adjusted as indicated above by the farm operator and the county committee not later than 30 days after all of the cotton is marketed or August 1, 1940, whichever is the earlier. At that time the sum of the entries for each producer appearing in the columns headed "Amount" of columns (51) through (64), as adjusted, shall be transferred to column (65) and the total amount of cotton marketed from the farm, as shown on lines (a) of column (65) shall be entered on line 11(a) thereof and the total amount of penalty collected or received for the farm, as shown on lines (b) of column (65) shall be entered on line 11(b) thereof.⁹⁶

(i) **Record of penalties at the rate of 3 cents where funds are held in escrow.**—If funds are received to be held in escrow for the 1939-40 marketing year to secure payment of the penalty estimated to be incurred during that marketing year,⁹⁷ the record of the funds deposited at the rate of 3 cents per pound on the cotton estimated to be produced in 1939 on the farm in excess of the normal production of the farm-acreage allotment shall be made on Form 317 as follows:

1. On line (a) in column (50), opposite the name of the owner or operator who deposited the funds, enter the legend "Escrow." If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the word "Escrow" for each additional amount shall be entered in consecutive order in the columns headed "Reference No." of columns (52) through (62) opposite the name of the owner or operator or other producer who furnished the additional amount. If funds to secure payment of the penalty of 3 cents per pound estimated to be incurred during the 1939-40 marketing year are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the legend "1938—Escrow" shall be entered in the column headed "Reference No." for the amount so transferred.⁹⁸

2. On line (b) in column (50), opposite the name of the owner or operator who deposited the funds, enter the printed serial number of Form 319 issued to him. If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the printed serial number of Form 319 issued for the additional amounts shall be entered in the succeeding columns headed "Reference No." immediately preceding the column headed "Amount" in which there is recorded the amount of the funds so deposited.⁹⁹ If funds to secure payment of the penalty of 3 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the transmittal number of Form 359 shall be entered in lieu of the printed serial number of Form 319.⁹⁸

3. On line (a) in column (51), opposite the name of the owner or operator who deposited the funds, enter the number of pounds of

⁹⁶ See sec. 804(b) of the regulations and sec. 226 of these instructions.

⁹⁷ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

⁹⁸ See item 27 of sec. 224 and sec. 238(m) of these instructions.

⁹⁹ See sec. 238(c) of these instructions.

cotton estimated to be produced in 1939 on the farm in excess of the normal production of the farm acreage allotment for which funds at the rate of 3 cents per pound were received. If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the number of pounds of cotton on which the penalty at the rate of 3 cents per pound was received shall be entered in the succeeding columns headed "Amount" of columns (53) through (63) opposite the name of the owner or operator or producer who furnished the additional amount.¹ If funds to secure the payment of the penalty at the rate of 3 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the number of pounds covered by the amount so transferred shall be entered **separately** on line (a) in the columns headed "Amount".²

4. On line (b) in column (51), opposite the name of the owner or operator who deposited the funds, enter the amount of the funds received to secure the estimated penalty of 3 cents per pound. If additional amounts are received in connection with the farm because the original amount deposited was insufficient, the additional amount of the penalty at the rate of 3 cents per pound shall be entered on line (b) in the succeeding columns headed "Amount" of columns (53) through (63) opposite the name of the owner or operator or producer who furnished the additional amount.¹ If funds to secure payment of the penalty at the rate of 3 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the amount so transferred shall be entered **separately** on line (b) in the columns headed "Amount".²

(j) **Record of penalties at the rate of 3 cents where a bond was accepted.**—If a bond of indemnity on Form 323 was accepted to secure payment of the penalty estimated to be incurred for the farm,³ the record of the penalty paid at the rate of 3 cents per pound shall be made on Form 317 as follows:

1. On line (a) in column (50), opposite the name of the owner or operator who executed the bond as principal, enter the legend "Bond." If more than one remittance of the penalty is made, the word "Bond" shall be entered for the second and subsequent payments on line (a) in the succeeding columns headed "Reference No." of columns (52) through (62).

2. On line (b) in column (50), opposite the name of the owner or operator who executed the bond as principal, enter the printed serial number of Form 319 issued to the remitter of the penalty. If more than one remittance of the penalty is made, the printed serial number of the Form 319 issued for the second and each subsequent remittance shall be entered on line (b) in the succeeding columns headed "Reference No." of columns (52) through (62).

3. On line (a) in column (51), opposite the name of the owner or operator who executed the bond as principal, enter the number of pounds of cotton for which the penalty at the rate of 3 cents per pound was received. If more than one remittance of the penalty is

¹ See sec. 238(c) of these instructions.

² See item 27 of sec. 224 and sec. 238(m) of these instructions.

³ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

made, the number of pounds of cotton for which the second and each subsequent remittance is received shall be entered on line (a) in the columns headed "Amount" of columns (53) through (63) opposite the name of the owner or operator who executed the bond as principal if the remittance is made by the principal or sureties, or opposite the name of the producer if the remittance was made by him instead of the principal or sureties.^{3a}

4. On line (b) in column (51), opposite the name of the owner or operator who executed the bond as principal, enter the amount of the penalty paid at the rate of 3 cents per pound. If more than one remittance of the penalty is made at the rate of 3 cents per pound, the amount thereof for the second and each subsequent remittance shall be entered on line (b) in the columns headed "Amount" of columns (53) through (63) opposite the name of the operator or owner who executed the bond as principal if the remittance is made by the principal or sureties, or opposite the name of the producer if the remittance was made by him instead of the principal or sureties.

(k) **Record of penalties paid at the rate of 3 cents where white marketing cards were issued pursuant to section 501(c) or 501(d) of the regulations.**—If a white marketing card was issued to the producers on a farm pursuant to section 501(c) or section 501(d) of the regulations and a penalty with respect to the marketing of cotton in connection with the farm is incurred, the record of each payment of the penalty incurred at the rate of 3 cents per pound shall be made in columns (50) through (63) of Form 317 in the manner outlined in paragraph (j) of this section, with the exception that the legend "501(c)" or "501(d)," as the case may be, shall be entered in lieu of the legend "Bond" on line (a) in the columns headed "Reference No." of columns (50) through (62).

(1) **Record of carry-over penalty cotton marketed and penalties paid.**—Where cotton is marketed subject to the penalty of 2 cents per pound,⁴ a record thereof shall be made on Form 317 as follows:

1. On line (a) in column (66) opposite each producer's name enter the printed serial number of the first Form 315 in the book of Forms 315 accompanying the blue marketing card issued to him. On line (b) in column (66) enter the serial number of the first Form 315 in the book of Forms 315 accompanying any additional blue marketing card issued to him.⁵ If a bond of indemnity on Form 323, or funds to be held in escrow to secure payment of the penalty were accepted for the farm or if white marketing cards were issued to producers on the farm pursuant to section 501(c) or 501(d) of the regulations, make no entry in column (66).⁶

2. On line (a) in the columns headed "Reference No." of columns (67) through (71) enter the printed serial number of Form 315-b for each producer whose name appears in item 9 (or in the continuation thereof on an attached list) of the Form 315-b. The reference to the first Form 315-b covering the marketing of cotton by or for a producer shall be entered on line (a) in column (67) and the reference

^{3a} See sec. 238(h) of these instructions.

⁴ See sec. 701 of the regulations.

⁵ See secs. 503 and 504 of the regulations and secs. 229, 230, and 231 of these instructions.

⁶ See secs. 238, 239, and 240 of these instructions.

to subsequent Form 315-b shall be entered in consecutive order on line (a) in columns (69) and (71).

3. On line (b) in columns headed "Reference No." of columns (67) through (71) enter the printed serial number of Form 319⁷ or Form 319-A⁸ (in entering the serial number of Form 319-A the entry shall be preceded by the letter A) issued to the remitter of the penalty incurred with respect to the transaction covered by a particular Form 315-b. The printed serial number of Form 319 or Form 319-A shall be entered on line (b) of the column headed "Reference No." in which the printed serial number of the related Form 315-b has been entered. If the penalty at the rate of 2 cents per pound incurred with respect to the transaction has **not** been remitted no entry shall be made on line (b) of the column headed "Reference No." in which the printed serial number of Form 315-b is recorded and the serial number of Form 315-b on line (a) thereof shall be circled in **red**.⁹ If the penalty is subsequently remitted the printed serial number of Form 319 issued to the remitter shall be entered in line (b) in the manner indicated above.

4. On line (a) in the columns headed "Amount" of columns (68) through (72) enter, if only one producer has an interest in the cotton marketed, the smaller of the amounts shown in item 2 or item 3 of Form 315-b or, if more than one producer had an interest in the cotton marketed, the amount shown opposite each producer's name on the related Form 355.¹⁰ The number of pounds of cotton shown on the first Form 315-b in either item 2 or 3 thereof, covering the marketing of cotton by or for a producer shall be entered on line (a) of column (68) and the number of pounds covered by subsequent Form 315-b shall be entered in consecutive order on line (a) in columns (70) and (72).

5. On line (b) in the columns headed "Amount" of columns (68) through (72) enter the amount of penalty at the rate of 2 cents per pound with respect to the transaction covered by a particular Form 315-b as shown in item 6 *a* thereof, if only one producer had an interest in the cotton marketed, or, if more than one producer had an interest in the cotton marketed, as shown on the related Form 355.¹⁰ The amount collected as the penalty shall be entered on line (b) of the column headed "Amount" in which the amount of cotton covered by the related Form 315-b has been entered. If the penalty of 2 cents per pound incurred with respect to the transaction has not been remitted no entry shall be made on line (b) of the column headed "Amount" in which the amount of cotton covered by Form 315-b is recorded until the amount of the penalty is remitted.

6. At the close of each month, after Forms 315-b received during the month have been recorded as outlined in items 2 through 5 of this paragraph, the total amount of cotton marketed from the farm subject to the penalty of 2 cents per pound as shown on line (a) in the column headed "Amount" of columns (68) through (72) shall be computed and the total amount of the penalties at the rate of 2 cents per pound remitted in connection therewith as shown on line (b) in the columns headed "Amount" of columns (68) through (72) shall be

⁷ See sec. 706(a) of the regulations and sec. 234(b) of these instructions.

⁸ See secs. 705(c) and 706(a) of the regulations and sec. 234(e) of these instructions.

⁹ In this connection see secs. 235 and 236 of these instructions.

¹⁰ See secs. 233(c) and 233(d) of these instructions.

computed. The totals for the farm through the first month shall be recorded on lines 11(a) and 11(b), respectively, of column (68) and the **cumulative** totals through subsequent months shall be entered thereafter in consecutive order in columns (70) and (72). On line 11(b) of the column headed "Reference No." immediately preceding each column headed "Amount" in which the totals appear there shall be entered the month through which the totals were computed.

7. After all of the cotton subject to the penalty of 2 cents per pound for any producer on the farm has been marketed, the sum of the entries on lines (a) and (b) in the columns headed "Amount" of columns (68) through (72) shall be entered in column (73). After all of the cotton subject to the penalty of 2 cents per pound on the farm has been marketed, the sum of the entries in column (73) shall be entered on lines 11(a) and 11(b) of column (73). The procedure outlined in this item shall not apply to farms for which a bond of indemnity on Form 323 or funds to be held in escrow were accepted to secure the payment of the penalty or for which white marketing cards were issued pursuant to section 501 (d) of the regulations.¹¹

8. After all cotton on the farm has been marketed, or March 1, 1940, whichever is the earlier, the farm operator shall be requested to examine the entries in columns (67) through (73) to determine whether (i) all cotton marketed subject to the penalty of 2 cents per pound from the farm as shown by his records has been reported on Form 315-b, (ii) the share of each producer in the carry-over penalty cotton marketed is correctly shown, (iii) the amount of the penalty at the rate of 2 cents per pound collected from producers on the farm has been properly remitted and is correctly shown, and (iv) the amount of the penalty at the rate of 2 cents per pound paid by or collected from each producer is correctly shown. If the figures are correct, the amounts entered in column (73) for the producers who have completed the marketing of all of their carry-over penalty cotton shall be transferred to column (74). If any of the entries for any of the producers are not correct, the records of the farm operator and of the county committee shall be reconciled and the farm operator and county committee shall make any correction necessary and enter the correct amounts for each producer and for the farm. If the buyer or transferee has failed to remit the amount of any penalty collected by him, the buyer or transferee, as the case may be, shall be requested to submit the reports and penalties which are in default and the correction on Form 317 in that respect shall be made only after the reports or the penalties have been submitted. If the producers on the farm have not marketed all of their carry-over penalty cotton as of March 1, 1940, the record of the cotton marketed and penalties paid at the rate of 2 cents per pound shall be made on a memorandum and signed by the farm operator and placed in the folder for the farm. Thereafter, the entries in columns (67) through (73) shall be examined and, if necessary, adjusted as indicated above by the farm operator and the county committee not later than 30 days after all of the cotton is marketed or August 1, 1940, whichever is the earlier. At that time the sum of the entries for each producer appearing in the columns headed "Amount" of columns (68) through (73) as adjusted shall be transferred to column (74) and the total amount of cotton marketed

¹¹ See secs. 238 and 239 of these instructions.

subject to the penalty of 2 cents from the farm by all producers as shown on lines (a) of column (74) shall be entered on line 11(a) thereof and the total amount of penalty collected or received from the farm in connection therewith as shown on lines (b) of column (74) shall be entered on line 11 (b) thereof.¹²

(m) **Record of penalties paid at the rate of 2 cents per pound where funds are held in escrow.**—If funds are received to be held in escrow for the 1939-40 marketing year to secure payment of the penalty estimated to be incurred during that marketing year,¹³ the record of the funds deposited at the rate of 2 cents per pound on the amount of carry-over penalty cotton to be marketed in connection with the farm shall be recorded on Form 317 as follows:

1. On line (a) in column (67) opposite the name of the owner or operator who deposited the funds, enter the legend "Escrow." If funds to secure payment of the penalty estimated to be incurred during the 1939-40 marketing year are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the legend "1938-Escrow" shall be entered in lieu thereof.¹⁴

2. On line (b) in column (67), opposite the name of the owner or operator who deposited the funds, enter the printed serial number of the Form 319 issued to him.¹⁵ If funds to secure payment of the penalty are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the transmittal number of Form 359 shall be entered in lieu thereof.

3. On line (a) in column (68) opposite the name of the owner or operator as the case may be, enter the number of pounds of carry-over penalty cotton for which funds at the rate of 2 cents per pound were received.¹⁵ If funds to secure payment of the penalty at the rate of 2 cents per pound are transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account, the number of pounds of carryover penalty cotton covered by the amount so transferred shall be entered separately in line (a) in the columns headed "Amount."¹⁴

4. On line (b) in column (68) enter the amount of funds received to secure the estimated penalty of 2 cents per pound with respect to carryover penalty cotton on the farm or the amount transferred from the 1938-39 cotton special deposit trust account to be held in escrow in the 1939-40 special deposit account.

(n) **Record of penalties paid at the rate of 2 cents per pound where a bond was accepted.**—If a bond of indemnity on Form 323 was accepted to secure payment of the penalty estimated to be incurred for the farm¹⁶ the record of penalty paid at the rate of 2 cents per pound with respect to carryover penalty cotton shall be made on Form 317 as follows:

1. On line (a) in column (67), opposite the name of the owner or operator who executed the bond as principal, enter the legend "Bond." If more than one remittance of the penalty is made, the word "Bond" shall be entered for the second and subsequent payments on line (a) in column (69) or (71).

¹² See sec. 804(b) of the regulations and sec. 226 of these instructions.

¹³ See secs. 501(a) and 707 of the regulations and sec. 238 of these instructions.

¹⁴ See item 27 of sec. 224 and sec. 238(m) of these instructions.

¹⁵ See sec. 238(c) of these instructions.

¹⁶ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

2. On line (b) in column (67), opposite the name of the owner or operator who executed the bond as principal, enter the printed serial number of Form 319 issued to the remitter of the penalty. If more than one remittance of the penalty is made, the printed serial number of Form 319 issued for the second and subsequent remittances shall be entered on line (b) in either column (69) or (71).

3. On line (a) in column (68), opposite the name of the owner or operator who executed the bond as principal, enter the number of pounds of cotton for which the penalty at the rate of 2 cents per pound was received. If more than one remittance of the penalty is made the number of pounds of cotton for which the second and subsequent remittance is received shall be entered on line (a) in either column (70) or (72).

4. On line (b) in column (68) opposite the name of the owner or operator who executed the bond as principal, enter the amount of the penalty paid at the rate of 2 cents per pound. If more than one remittance of the penalty is made at the rate of 2 cents per pound, the amount thereof for the second and subsequent remittances shall be entered on line (b) in either column (70) or (72).

(o) **Record of penalties paid at the rate of 2 cents per pound where white marketing cards were issued pursuant to section 501(d) of the regulations.**—If a white marketing card was issued to the producers on a farm pursuant to section 501(d) of the regulations and a penalty with respect to the marketing of cotton in connection with the farm is incurred the record of each payment of the penalty incurred at the rate of 2 cents per pound shall be made in columns (67) through (72) of Form 317 in the manner outlined in paragraph (n) of this section, with the exception that the legend "501(d)" shall be entered in lieu of the legend "Bond" on line (a) in the columns headed "Reference No." of columns (67) through (71).

(p) **Record of total amount of cotton marketed and penalties paid.**—After the entries for all producers have been made in columns (65) and (74) of Form 317 enter on lines (a) and (b) of column (75) for each producer the sum of the entries shown opposite his name on lines (a) and (b) in columns (65) and (74). The procedure outlined in this item shall not apply to farms for which a bond of indemnity on Form 323 or funds to be held in escrow were accepted to secure payment of the penalty or for which white marketing cards were issued pursuant to sections 501(c) and 501(d) of the regulations.

(q) **Record of the amount of the penalties incurred.**—After the entries have been made in column (75) of Form 317 as outlined in paragraph (p) of this section, the amount of the penalties incurred by each producer shall be determined¹⁷ and entered on Form 317 as follows:

1. On line (a) of column (76) enter the number of pounds obtained by subtracting the entry in column (47) from the entry in column (75).

2. On line (a) of column (77) for each producer for whom carry-over penalty cotton not under the loan is shown in column (5), enter the number of pounds obtained by subtracting the entry in column (47) from the entry in column (75), except that the entry in column (77) shall not exceed the entry in column (5).

¹⁷ See secs. 701 and 709 of the regulations.

3. The entry in column (78) shall be the result obtained by subtracting from the entry in column (75) the sum of the entries in column (47) and column (77).

4. On line (b) of column (78) enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.

5. On line (b) of column (77) enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.

6. On line (b) of column (76) enter the sum of the entries on line (b) in columns (77) and (78).

7. The sum of the entries in columns (76), (77), and (78) shall be entered on lines 11 (a) and 11 (b) thereof.¹⁸

(r) **Determination of refunds.**—A record of the amounts which are to be refunded pursuant to section 708 of the regulations shall be made on Form 317 as follows:

1. If the entry on line (b) of column (76) for any producer is **in excess** of the entry opposite his name on line (b), column (75), enter on line (b) of column (79) the amount by which entry on line (b) of column (76) exceeds the entry on line (b) of column (75). The sum of the entries in column (79) shall be entered on line 11 (b) thereof.

2. If the entry on line (b) of column (76) for any producer is **less** than the entry opposite his name on line (b) of column (75), enter on line (b) of column (80) the amount by which the entry on line (b) of column (75) exceeds the entry on line (b) of column (76). The sum of the entries in column (80) shall be entered on line 11(b) thereof.

3. If the entries on lines 11(b) of columns (76) and (79), respectively, **are equal to or in excess of** the entries on lines (b) of columns (75) and (80), **no** refund in connection with the farm may be authorized to be made to any producer out of the funds held in the 1939-40 special deposit account. If the entries on lines (b) of columns (75) and (80), respectively, **are in excess** of the entries on lines (b) of columns (76) and (79), the amount of the excess to which each producer is entitled as a refund shall be determined as follows:

a. On line 11(a) of column (81) enter the amount by which the entry on line 11(b) of column (80), exceeds the entry on line 11(b) of column (79).

b. On line (b) of column (81), opposite the name of each producer for whom an entry appears in column (80), enter the amounts of any unpaid penalties shown in column (79) which he has paid for any producer.

c. On line 11(b) of column (81) enter the sum of the entries in column (81).

d. If the entry on line 11(b) of column (81) is equal to the entry on line 11(a) of column (81), enter on line (b) in column (82) opposite each producer's name the result obtained by

¹⁸ As a general principle, in computing the amount of the penalty incurred in marketing cotton from a farm in connection with which one or more producers have carry-over penalty cotton, it shall be presumed that the amount of cotton marketed in excess of the farm marketing quota was marketed subject to the penalty of 2 or 3 cents per pound as follows: The excess, up to the amount of carry-over penalty cotton not pledged as security for a Commodity Credit Corporation loan shall be presumed to have been marketed subject to the penalty of 2 cents per pound and the balance of the excess, if any, shall be presumed to have been marketed subject to the penalty of 3 cents per pound.

- subtracting the entry on line (b) of column (81) from the entry on line (b) of column (80) or, if no entry appears in column (81) for a producer, enter on line (b) of column (82) the amount shown opposite his name on line (b) in column (80). The sum of the entries in column (82) must equal the amount by which the entry on line 11(b) of column (75) exceeds the entry on line (b) of column (76).
- e.* If the entry on line 11(b) of column (81) is less than the entry on line 11(a) of column (81), enter on line (a) of column (82) opposite each producer's name the result obtained by subtracting the entry on line (b) of column (81) from the entry on line (b) of column (80) or, if no entry appears in column (81) for a producer, enter on line (a) of column (82) the amount shown opposite his name on line (b) in column (80). On line 11(a) of column (82) enter the sum of the entries so made. On line 11(b) of column (82) enter the amount by which the entry on line (b) of column (75) exceeds the entry on line (b) of column (76). Divide the entry on line 11(b) of column (82) by the entry on line 11(a) of column (82) and enter the quotient, carried to four decimal places, in the heading of column (82). Multiply the quotient by each entry on line (a) in column (82) and enter the product on the succeeding line (b) in column (82). The sum of the entries on line (b) of column (82) must equal the entry on line 11(b) thereof. A line shall be drawn through each entry on line (a) of column (82) so that the entries will be canceled but not obliterated.
- f.* If no entries appear in column (79), enter on line (b) in column (82) the amount shown on line (b) in column (80).
- g.* In column (83) enter the voucher number of the voucher covering the amount of the refund shown in column (82).
- h.* **No refund shall be certified for payment unless and until the auditor has examined the records with respect to the farm and found them to be correct.**

(s) **Determination of the amount of unmarketed cotton.**—After or at the time the entries are made in columns (65) and (74) of Form 317¹⁹ and prior to the time any refunds for the producers on the farm are approved and certified,²⁰ the amount of unmarketed cotton on hand shall be determined.²¹ In order to overcome the presumption that a farmer has marketed all cotton which is shown in columns (4), (5), (6), (7), and (33) of Form 317, a representative of the county office shall determine the amount of unmarketed cotton by actual inspection of the cotton or an examination of warehouse receipts or, in cases of cotton pledged as security for a Commodity Credit Corporation loan, by an examination of the producer's loan agreement. A memorandum in connection therewith shall be prepared by the county office representative showing therein the time of the inspection or examination of the warehouse receipts or producer's loan agreement, the place at which the cotton is stored, and the identification of each bale, such as the gin bale number or mark,

¹⁹ See secs. 225(h), 225(l), and 226 of these instructions.

²⁰ See sec. 225(r) of these instructions.

²¹ See sec. 804(b) of the regulations.

the weight of each bale, and the method employed in arriving at the weight of each bale. The weight of each bale of such cotton shall be taken from the ginner's report on Form 216 or Form 316 or from warehouse receipts of the producer's loan agreement, and the amount of lint in seed cotton shall be estimated. The memorandum shall be filed in the folder for 1939 for the farm. If the amount of unmarketed cotton on hand as determined by the county office representative is less than the sum of the entries in columns (65) and (74), the figures in columns (65) and (74) shall be increased so that they will represent the difference between the amount of unmarketed cotton determined by the county office representative to be on hand and the amount of cotton shown in columns (4), (5), (6), (7), and (33). The amount of the unmarketed cotton on hand determined as indicated above shall be entered on Form 317 as follows:

1. In column (84) enter the number of pounds of cotton which if marketed would be subject to the penalty of 2 cents per pound which is pledged as security for a Commodity Credit Corporation loan.

2. In column (85) enter the amount of cotton which if marketed would be subject to the penalty of 3 cents per pound which is pledged as security for a Commodity Credit Corporation loan.

3. In column (86) enter the amount of cotton which if marketed would not be subject to a penalty which is pledged as security for a Commodity Credit Corporation loan.

4. In column (87) enter the amount of cotton which if marketed would be subject to the penalty at the rate of 2 cents per pound which is not pledged as security for a Commodity Credit Corporation loan.

5. In column (88) enter the amount of cotton which if marketed would be subject to the penalty of 3 cents per pound which is not pledged as security for a Commodity Credit Corporation loan.

6. In column (89) enter the amount of cotton which if marketed would not be subject to the penalty which is not pledged as security for a Commodity Credit Corporation loan.

(t) **Preparation of Form 317 where a marketing card is issued to a person who is not engaged in 1939 in the production of cotton.**—If no cotton is planted in 1939 on a farm for which a cotton acreage allotment was established for 1939 which has been designated as or is a farm in connection with which cotton on hand from a previous crop will be marketed, columns (1) through (7) and columns (47) through (89) of Form 317 shall be executed in the manner outlined in this section. If a person has cotton on hand from a previous crop but is not located in 1939 on a farm or is located on a farm for which a cotton acreage allotment was not established, columns (4) through (7) and columns (47) through (89) shall be executed in the manner outlined in this section.²²

SEC. 226. FARM OPERATOR'S REPORT.²³

(a) **Farms for which Form 317 was prepared.**—The operator of each farm for which a Form 317 was prepared is required by section 804(b) of the regulations to report to the Secretary of Agriculture

²² See the last sentence of sec. 502(a) and the second sentence of sec. 503(a) of the regulations.

²³ See sec. 804(b) of the regulations.

through the county committee the information required to be shown on Form 317. The county committee and the farm operator shall compare the information entered on Form 317 on the basis of the reports of ginner and buyers with the information furnished by the farm operator and review the apportionment and reapportionment of producer marketing quotas and the extent to which each producer has used the producer marketing quota apportioned to him and the amount of the penalties incurred and paid. Any adjustments necessary in the report on Form 317 as to the amount of cotton produced in 1939 and the amount of cotton marketed shall be made in columns (33), (65), and (74) of Form 317 and the remaining entries thereon adjusted accordingly.²⁴ The operator shall indicate his approval by executing the certificate provided therefor on Form 317. The report shall first be made within 30 days after all cotton on the farm has been marketed or March 1, 1940, whichever is the earlier. If all cotton has not been marketed at that time, a final report shall be made as indicated above not later than 30 days after all cotton on the farm has been marketed or August 1, 1940, whichever is the earlier. If, at the time of making the report on March 1, 1940, or at any subsequent date prior to August 1, 1940, the only unmarketed cotton is pledged as security for a Commodity Credit Corporation loan, the report of the operator shall be considered as final unless and until the cotton so pledged is withdrawn from the loan. If necessary, a representative of the county committee shall take the report on Form 317 to the home or principal place of business of the farm operator for the purpose of securing his report thereon.

(b) **Farms for which Form 317 was not prepared.**—The farm operator of each farm for which a Form 317 was not prepared as outlined in section 225 of these instructions shall, if requested by the county committee, furnish the information for the proper execution of columns (1) through (7), and (33), (46), (47), (65), and (74) through (89) of Form 317 and execute the certificate of the farm operator provided for therein.²⁵

(c) **Identity of ginner and buyers.**—The operator of any farm shall, upon request of the county committee, furnish as a part of his report on Form 317 the name and address of each buyer to whom he sold any cotton and the name and address of each ginner who ginned any cotton for him.²⁵

SEC. 227. FARM OPERATORS FAILING OR REFUSING TO MAKE A REPORT ON FORM 317.

If the operator of any farm fails or refuses to make the report required under section 804(b) of the regulations by not furnishing the information necessary for the proper completion of Form 317 in the manner outlined in sections 225 and 226 of these instructions or fails or refuses to approve the report after all necessary corrections have been made by him and by the county committee, the county committee shall forward a request for the report to him by registered mail (return receipt requested) together with a copy of the regulations. The request shall direct the attention of the operator to section 373(b) of the act and to section 804(b) of the regulations and state further that pursuant to section 806 of the regulations the county

²⁴ See secs. 225(e), 225(h), and 225(l) of these instructions.

²⁵ See sec. 804(b) of the regulations.

committee is required to report any continued default on his part in this respect in order that proceedings may be instituted in accordance with section 376 of the act specifically to enforce the provisions of the act. The letter shall also request a prompt reply and shall offer to the operator any assistance which he may require in order to enable him to understand the use and execution of the operator's report and the nature of the information required thereby. A member of the county committee shall call on the operator and endeavor to discuss the matter with him with a view to obtaining the execution of Form 317. If the execution of Form 317 is not promptly completed, a full report, **in quintuplicate**, shall be made and the original and three copies thereof forwarded to the State office. The report shall contain the name and full mail address of the operator and all facts and circumstances in the case, and shall be accompanied by the same number of copies of all correspondence between the county committee and the farm operator.

SEC. 228. ISSUING RED MARKETING CARDS.

(a) **Conditions under which red marketing cards will be issued.**²⁶—Red marketing cards (Form 312), together with the accompanying Form 313, shall not be prepared for issuance unless and until columns (1) through (7) of Form 317 have been executed.²⁷ Red marketing cards will be issued for the 1939-40 marketing year for **each** producer (except as provided in section 502(b) of the regulations) on farms in the following classifications: (1) overplanted farms; (2) farms in connection with which one or more producers have carry-over penalty cotton; (3) underplanted farms in connection with which no producer has carry-over penalty cotton where either exceptions 5, 7, or 8 of section 219(a) of these instructions is applicable. Where either exception 5 or 6 of section 219(a) of these instructions is applicable, no marketing card shall be issued to or for the multiple farm producer for the underplanted farms in connection with which no producer has carry-over penalty cotton unless and until he requests the issuance of a marketing card with respect thereto in which event a red marketing card shall be issued to him. A red marketing card shall also be issued for a farm for which a cotton acreage allotment was established for 1939 but on which no cotton is planted in 1939 if cotton on hand from a previous crop will be marketed in connection therewith.²⁸ A red marketing card shall also be issued to a person who has carry-over penalty-free cotton but who is not located in 1939 on a farm for which a cotton acreage allotment was established or who is not on any farm in 1939.²⁸ Where the farm is an overplanted farm or a farm in connection with which one or more producers have carry-over penalty cotton, white marketing cards may be issued in lieu of the red marketing cards if a bond of indemnity on Form 323 or funds to be held in escrow to secure payment of the penalty are accepted for the farm²⁹ or where the county committee estimates that the amount of cotton to be produced thereon in 1939 plus the carry-over penalty cotton will not exceed the amount of the normal production of the farm acreage allotment.³⁰ A white marketing card may be

²⁶ See sec. 502 of the regulations.

²⁷ See sec. 225(c) and 225(d) of these instructions.

²⁸ See sec. 225(t) of these instructions.

²⁹ See secs. 501(b) and 707 of the regulations and sec. 238 of these instructions.

³⁰ See sec. 501(d) of the regulations and sec. 239 of these instructions.

issued in lieu of the red marketing card for an overplanted farm in connection with which **no** producer has carry-over penalty cotton if it is estimated or found that the total production in 1939 of the acreage planted to cotton will not exceed 1,000 pounds of lint cotton.³¹

(b) **Appointment of operator to receive red marketing card in trust for all producers.**—In any case where a red marketing card would otherwise be issued to each producer on a farm, a red marketing card may be issued to the operator if all producers, including the operator, execute Form 312-A. Unless all producers agree, as evidenced by Form 312-A, that a red marketing card for the farm shall be issued to the operator, this paragraph shall not be applicable. After red marketing cards have been issued to all producers, an agreement executed on Form 312-A shall not be recognized. The issuance of a red marketing card to the operator in trust for all producers on the farm shall not otherwise change the execution of Form 317.³²

(c) **Preparation of Form 310-A for red marketing cards.**—A record of the issuance of all red marketing cards and the related Forms 313 shall be kept on Form 310-A prepared in the original only as follows:

1. Enter the legend "Form 312" above the title.
2. Tabulate on a separate line the data with respect to the issuance of each Form 312 and book of Form 313. Form 312 and the data in connection with the issuance thereof **shall be listed strictly in the numerical order of the printed serial numbers** appearing thereon. If a Form 312 and book of Form 313 are to be issued to each producer on a farm, all Forms 312 to be issued to such producers shall be listed on Form 310-A on consecutive lines.
3. In the spaces indicated enter the State and county code number, the page number, the name of the county, and the name of the State.
4. In column A enter the serial number of the farm.
5. In column B enter the serial number of the Form 312.
6. In column C enter the name of the operator or producer to whom Form 312 and the related Form 313 are issued.
7. In columns E and F enter the first and last serial numbers, respectively, of Form 313 which are in the same book and accompany the Form 312.

(d) **Preparation of red marketing cards.**—Each red marketing card shall be prepared as follows:

1. In the space indicated enter the State and county code number and the serial number for the farm.
2. On the line beneath the space for the State and county code number, enter a brief description of the farm if the producer for whom Form 312 is to be issued has an interest in more than one farm or if the county committee determines that a description of the farms is necessary.
3. In the blank space following the words "This is to certify that" write, in words, the sum of the amounts in columns (3) and (4) of Form 317 opposite the name of the producer to whom the red marketing card will be issued, as, for example, "Two thousand." If the red marketing card is issued to the operator in trust for all producers, write, in words, the sum of the entries on line 11 of columns

³¹ See sec. 501(c) of the regulations and sec. 240 of these instructions.

³² See sec. 502(b) of the regulations.

(3) and (4) of Form 317.³³ If the red marketing card is issued to a person who is not located in 1939 on a farm or who is located on a farm for which no cotton acreage allotment was established, write, in words, the number of pounds of his carry-over penalty free cotton.³⁴

4. In the parentheses preceding the word "pounds," enter, in figures, the amount entered pursuant to item 3 above.

5. In the space indicated print the name and full mail address of the farm operator.

6. In the space indicated print the name and full mail address of the producer to whom the red marketing card will be issued. If the red marketing card is to be issued to the farm operator, enter the word "Same."

(e) **Preparation of Form 313.**—Form 313 shall be prepared as follows:

1. All entries on Form 313 which are to be made in the county office shall be made with indelible pencil except for the stamping of the address of the treasurer of the county committee on the postal-card copy (Form 313-b).

2. In the spaces indicated enter (i) the State and county code and farm serial number; (ii) the name and full mail address of the producer to whom issued.

3. In item 2 of the first set of Form 313 in each book enter the amount of the marketing quota which is shown on the Form 312 which accompanies the book of Form 313.³⁵

4. On the address side of each Form 313-b stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of County Agricultural Conservation Committee."

(f) **Delivery of red marketing cards.**—The county committee shall examine each Forms 312, 313, and 310-A and, if found to be correct, a member thereof shall, on its behalf, sign Form 312 in the space provided and enter the date of his signature. The operator or producer to whom Forms 312 and 313 are issued shall receipt therefor by signing his name in column I of Form 310-A and entering the date of his signature in column H thereof. The operator or producer to whom the red marketing card is issued shall also countersign it (by signing his name in the style shown therein) on the line provided therefor at the time he receives it and enter the date thereof opposite his signature.

(g) **Issuing additional red marketing cards where producer marketing quotas are not increased.**—In cases where the number of transactions in which a producer markets cotton will be in excess of the number of sets of Form 313 contained in the book accompanying the Form 312 issued to him and additional Forms 312 and 313 are not to be issued under section 502(c), 504, or 507 of the regulations, the county committee shall, upon request of the producer, issue an additional book of Form 313 and the Form 312 accompanying it, in accordance with the procedure outlined in paragraphs (b), (c), (d), (e), and (f) of this section, except that—

³³ See secs. 301(a) and 301(b) of the regulations. Also see items (1) and (5) of sec. 304 of the regulations and secs. 225(c) and 225(d) of these instructions.

³⁴ See the last sentence of sec. 502(a) of the regulations.

³⁵ See item 3 of par. (d) of this section.

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new Form 312 shall be the same as that shown on the previous Form 312.³⁶ If the particular book is the second book issued to the producer, the word "Second" shall be entered on the face of Form 312. Similarly, the issue number of each subsequent book issued to a producer in accordance with the provisions of this paragraph shall be entered on the face of Form 312; as, for example, "Third" or "Fourth."

2. In item 2 of the first set of the Form 313 in the new book enter the unused portion, if any, of the marketing quota as shown in line 4 of the last Form 313—a contained in the book previously issued. If there is no unused marketing quota the word "None" shall be entered in item 2 of the first set of Form 313 in the new book.³⁷

3. In column J of Form 310—A enter the word "Second" or "Third", etc., as the case may be, and the serial numbers of the Form 312 previously issued to the producer.

(h) **Issuing additional red marketing cards on the basis of an intermediate or final reapportionment of producer marketing quotas.**³⁸—If the farm marketing quota is increased and reapportioned among the producers thereon as provided in item 2 of section 304 of the regulations, or if the farm marketing quota is not increased but is reapportioned among the producers thereon as provided in item 3 of section 304 of the regulations,³⁹ the issuance of additional red marketing cards will be made as follows:

1. In the case of either an intermediate or final reapportionment of producer marketing quotas, where red marketing cards were issued to each producer on the farm, a new red marketing card for each producer on the farm for whom the producer marketing quota was increased will be issued as outlined in paragraphs (b), (c), (d), (e), and (f) of this section, with the exceptions that—

- a. The word "Additional" shall be entered above the State and county code and farm serial number of the new Form 312.
- b. The amount of the producer marketing quota entered on the new Form 312 shall, in the case of an intermediate reapportionment, be the amount shown opposite the producer's name in either column (36) or (39) of Form 317,⁴⁰ or, in the case of a final reapportionment, be the amount by which the entry in column (46) of Form 317 opposite the producer's name exceeds the largest of the entries in columns (3), (35), and (38) of Form 317.
- c. In item 2 of the first set of new Form 313 enter the amount of the producer marketing quota which is shown on the accompanying Form 312.
- d. In column J of Form 310—A enter the word "Additional."

2. In cases where a red marketing card was issued to the operator in trust for all other producers, additional red marketing cards for the amount by which the farm marketing quota was increased as a result of an intermediate or final reapportionment will be issued as

³⁶ See item 3 of par. (d) of this section.

³⁷ In this connection see item 3 of par. (e) of this section.

³⁸ See sec. 502(c) of the regulations.

³⁹ See secs. 225(f) and 225(g) of these instructions.

⁴⁰ See sec. 225(f)12 of these instructions.

outlined in paragraphs (b), (c), (d), (e), and (f) of this section,⁴¹ with the exceptions that—

- a. The word "Additional" shall be entered above the State and county code and farm serial number of the new Form 312.
 - b. The amount of the farm marketing quota entered on the new Form 312 shall, in the case of an intermediate reapportionment, be the amount by which the farm marketing quota is increased, obtained by subtracting the entry on line 11, column (3) from the entry on line 11, column (35) in the case of a first intermediate reapportionment or by subtracting the entry on line 11, column (35) from the entry on line 11, column (38) in the case of a second intermediate reapportionment of Form 317,⁴² or, in the case of a final reapportionment, be the amount by which the entry on line 11 of column (46) of Form 317 exceeds the largest of the entries on line 11 in columns (3), (35), and (38) of Form 317.
 - c. In item 2 of the first set of new Form 313 enter the amount of the producer marketing quota which is shown on the accompanying Form 312.
 - d. In column J of Form 310-A enter the word "Additional."
 - e. If producer marketing quotas were reapportioned but no increase was made in the amount of the farm marketing quota, an additional red marketing card shall not be issued.
3. If as a result of the reapportionment of the producer marketing quotas a refund was or will be made pursuant to section 708 of the regulations,⁴³ the following procedure shall be followed:
 - a. New Form 312 and books of Form 313 reflecting the increase in the producer marketing quota or farm marketing quota shall not be issued if the amount of the poundage on which a refund was or will be made is equal to or more than the amount by which the producer marketing quota or farm marketing quota is increased.
 - b. New Form 312 and books of Form 313 will be issued reflecting the amount by which the producer marketing quota or farm marketing quota was increased minus the amount of the poundage on which a refund was or will be made.
4. If at the time of an intermediate or final reapportionment a producer has marketed all cotton produced by or for him, an additional red marketing card shall not be issued for the amount by which the producer marketing quota was increased. Likewise, in cases where a red marketing card was issued to the operator in trust for all producers, an additional red marketing card shall not be issued for the amount by which the farm marketing quota was increased if all cotton on the farm has been marketed. If all cotton has not been marketed in either case, red marketing cards for the amount by which the producer marketing quota or the farm marketing quota, as the case may be, was increased shall be issued only to the extent of the unmarketed cotton.⁴⁴

⁴¹ See item 3 of sec. 502(c) of the regulations.

⁴² See sec. 225(f)12 of these instructions.

⁴³ See also sec. 225(r) of these instructions.

⁴⁴ See sec. 225(s) of these instructions.

5. If the producer marketing quota of any producer to whom Form 312 was issued is decreased as a result of the apportionment or reapportionment of the farm marketing quota as set forth in section 304 of the regulations, the county committee shall, in accordance with section 502(c) of the regulations, alter the form Cotton 312 heretofore issued to such producer by striking through the amount of the producer marketing quota previously entered thereon and by entering the amount of the decreased producer marketing quota above the previous entry. In item 2 of the first set of unused Form 313, the county committee shall enter the unused portion, if any, of the decreased producer marketing quota determined by subtracting the sum of the entries in item 3 of the executed Form 313-A from the amount of the decreased producer marketing quota. If there is no unused amount of the decreased producer marketing quota, the word "None" shall be entered in item 2 of the first set of unused Form 313. The entries so made on Forms 312 and 313 shall be signed or initialed by a member of the county committee. If such a producer fails or refuses to have the Form 312 and Form 313 so altered, the county committee shall cancel the Form 312 and Form 313 in accordance with section 502(c) of the regulations.

6. The sum of all producer marketing quotas with respect to any farm as evidenced by Form 312, exclusive of any canceled Form 312, shall not exceed the amount of the farm-marketing quota.⁴⁵

SEC. 229. ISSUING BLUE MARKETING CARDS.

(a) **Conditions under which blue marketing cards will be issued.**—Blue marketing cards (Form 314), together with the accompanying Form 315 shall be issued for the 1939-40 marketing year for each producer (except as provided in section 503(b) of the regulations) on a farm who has carry-over penalty cotton.⁴⁶ In cases where a producer has an interest in more than one farm, the blue marketing card shall be issued with respect to the farm or farms which the producer has designated as the farm or farms in connection with which the carry-over penalty cotton is to be marketed.⁴⁷ However, the same bale or lot of seed cotton cannot be marketed in connection with different farms, and the producer must designate in writing the amount to be marketed in connection with each farm. A blue marketing card shall also be issued for a farm for which a cotton acreage allotment was established for 1939 but on which no cotton was planted in 1939 if carry-over penalty cotton will be marketed in connection therewith. A blue marketing card will also be issued to a person who is not farming in 1939 or who is on a farm for which no cotton acreage allotment was established for the amount of his carry-over penalty cotton.⁴⁸

(b) **Appointment of operator to receive blue marketing card in trust for all producers.**—In any case where a blue marketing card would otherwise be issued to several producers on a farm, a blue marketing card for the entire amount of carry-over penalty cotton to be marketed in connection with the farm may be issued to the operator if all producers who have carry-over penalty cotton and the operator execute form 314-A. Unless all producers who have carry-over pen-

⁴⁵ See item (7) of sec. 304 and item (4) of sec. 502(c) of the regulations.

⁴⁶ See sec. 503(a) of the regulations.

⁴⁷ See items (15) through (22) of secs. 224 and 225(d) of these instructions.

⁴⁸ See the second sentence of sec. 503(a) of the regulations.

alty cotton and the operator agree, as evidenced by Form 314-A, that a blue marketing card for the farm shall be issued to the operator, this paragraph shall not be applicable. After blue marketing cards have been issued to the individual producers who have carry-over penalty cotton an agreement on Form 314-A shall not be recognized. The issuance of a blue marketing card to the operator in trust for all producers on the farm shall not otherwise change the execution of Form 317.⁴⁹

(c) **Preparation of Form 310-A for blue marketing cards.**—A record of the issuance of all blue marketing cards and the related Form 315 shall be kept on Form 310-A prepared in the original only as follows:

1. Enter the legend "Form 314" above the title.
2. Tabulate on separate lines the data with respect to the issuance of Form 314 and book of Form 315. Form 314 and the data in connection with the issuance thereof shall be listed strictly in numerical order of the printed serial numbers printed thereon. If a Form 314 and book of Form 315 are to be issued to each producer on the farm, all Forms 314 to be issued to such producers shall be listed on Form 310-A on consecutive lines.
3. In the spaces indicated enter the State and county code, the page number, the name of the county, and the name of the State.
4. In column A enter the serial number of the farm.
5. In column B enter the serial number of the Form 314.
6. In column C enter the name of the operator or producer to whom Form 314 and the related Form 315 are issued.
7. In columns E and F enter the first and last serial numbers, respectively, of Form 315 which are in the same book and accompany the Form 314.

(d) **Preparation of blue marketing cards.**—Each blue marketing card shall be prepared as follows:⁵⁰

1. In the space indicated enter the State and county code number and the serial number for the farm.
2. On the line beneath the space for the State and county code number enter a brief description of the farm if the producer for whom it is prepared has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.
3. In the blank space following the words "This is to certify that" write in words the figure entered in column (5) of Form 317 opposite the name of the producer to whom the blue marketing card will be issued, as for example, "Two thousand pounds." If the blue marketing card is issued to the operator in trust for all producers enter in words the entry on line 11 of column (5) of Form 317. If the blue marketing card is issued to a person who is not located on the farm in 1939 or who is located on the farm for which no cotton acreage allotment was established, write in words the number of pounds of his carry-over penalty cotton.
4. In the parentheses preceding the word "pounds" enter in figures the amount entered pursuant to item 3 above.

⁴⁹ See sec. 503(b) of the regulations.

⁵⁰ Also see sec. 503(a) of the regulations.

5. In the space indicated print the name and full mail address of the farm operator.

6. In the space indicated print the name and full mail address of the producer to whom the blue marketing card will be issued. If the blue marketing card is to be issued to the farm operator, enter the word "Same."

(e) **Preparation of Form 315.**—Form 315 shall be prepared as follows:

1. All entries on Form 315 which are to be made in the county office shall be made in indelible pencil except for the stamping of the address of the treasurer of the county committee on the postal-card copy (Form 315-b).

2. In the spaces indicated enter (i) the State and county code and farm serial number (ii) the name and full mail address of the producer to whom issued.

3. In item 2 of the first set of Form 315 in each book enter the number of pounds of carry-over penalty cotton which is shown on Form 314⁵¹ which accompanies the book of Form 315.

4. On the address side of each Form 315-b stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of the County Agricultural Conservation Committee."

(f) **Delivery of blue marketing cards.**—The county committee shall examine each Form 314, 315, and 310-A, and if found to be correct a member thereof shall on its behalf sign Form 314 in the space provided and enter the date of his signature. The operator or producer to whom Forms 314 and 315 are issued shall receipt therefor by signing his name in column I of Form 310-A and enter the date of his signature in column H thereof. The operator or producer to whom the blue marketing card is issued shall also countersign it on the line provided therefor at the time of receiving it and enter the date thereof opposite his signature.

(g) **Issuing additional blue marketing cards.**—In cases where the number of transactions in which a producer markets carry-over penalty cotton will be in excess of the number of sets of Form 315 contained in the book accompanying the Form 314 issued to him, the county committee shall, upon request of the producer, issue an additional book of Form 315 and the Form 314 accompanying it in the manner outlined in section 228(g) of these instructions.

SEC. 230. ISSUING MARKETING CARDS FOR COTTON PLEDGED AS SECURITY FOR A COMMODITY CREDIT CORPORATION LOAN.⁵²

If any producer desires to market any cotton from a previous crop which is pledged as security for a Commodity Credit Corporation loan, the county committee shall upon his request issue to him for the amount of such cotton which he desires to market a red marketing card for the amount thereof which is carry-over penalty-free cotton and a blue marketing card for the amount thereof which is carry-over penalty cotton.⁵³ The red marketing card and corresponding Form 313 shall be issued in accordance with the procedure outlined in paragraphs (b), (c), (d), (e), and (f) of section 228 of these instructions, and blue marketing cards and corresponding Form 315

⁵¹ See item 3 of par. (d) of this section.

⁵² See sec. 504 of the regulations.

⁵³ Also see secs. 225(d)5 and 225(g)23 of these instructions.

will be issued in accordance with the procedure outlined in paragraphs (a), (b), (c), (d), (e), and (f) of section 229, with the following exceptions:

1. The poundage to be entered in the blank space of Form 312 or 314 following the words "This is to certify that" shall be the net weight⁵⁴ of the carry-over penalty-free cotton or the net weight⁵⁴ of carry-over penalty cotton, respectively, which the producer states is to be withdrawn from the loan and marketed, and the words "Loan Cotton" shall be written in bold characters across the face of Form 312 or 314.

2. In column J of Form 310-A enter the words "Loan cotton."

SEC. 231. LOST, DESTROYED, OR STOLEN RED MARKETING CARDS OR BLUE MARKETING CARDS.

In case any Form 312 and the corresponding Form 313 or any Form 314 and the corresponding Form 315 are lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 507 of the regulations. A copy of the notice of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft, of such forms shall be filed in the folder for the farm. Form 312 and the book of Form 313 shall be issued in accordance with the procedure contained in paragraphs (b), (c), (d), (e), and (f) of section 228 of these instructions and Form 314 and the book of Form 315 shall be issued in accordance with the procedure contained in paragraphs (a), (b), (c), (d), (e), and (f) of section 229 of these instructions, with the following exceptions:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new Form 312 and the amount of carry-over penalty cotton entered on the new Form 314 shall be the same as that shown on the lost, destroyed, or stolen Form 312 or Form 314, respectively, and the word "Duplicate" shall be stamped across the face thereof.

2. In item 2 of the first set of Form 313 in the new book enter the unused portion, if any, of the marketing quota entered in Form 312. In item 2 of the first set of Form 315 in the new book enter the unmarketed portion, if any, of the carry-over penalty cotton entered in Form 314. If there is no unused marketing quota the word "None" shall be entered in item 2 of the first set of Form 313 in the new book. If there is no unmarketed carry-over penalty cotton, a new Form 314 and book of Form 315 shall **not** be issued. In determining the amount of the unused portion of the marketing quota the county committee shall take into consideration the amount of cotton ginned and marketed by the producer as recorded on Form 317 together with any additional information which may be required.

3. In column J of Form 310-A enter the legend "Lost," "Destroyed," or "Stolen" opposite the entry showing the issuance of the duplicate Form 312 or Form 314.

4. The legend "Canceled—Lost," or "Canceled—Destroyed," or "Canceled—Stolen" shall be entered in column J of the Form 310-A opposite the serial number of the lost, destroyed, or stolen Forms 312 and 313 or Forms 314 and 315.

⁵⁴ See the memorandum required of the county office representative pursuant to items (15) through (22) of sec. 224 and sec. 225(d) of these instructions.

SEC. 232. CANCELATION OF RED MARKETING CARDS OR BLUE MARKETING CARDS ISSUED IN ERROR.

In case any Form 312 or Form 314 is erroneously issued, the county committee shall cancel it in accordance with section 508 of the regulations. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in the folder for the farm. The legend "Canceled" shall be entered in column J of Form 310-A opposite the serial number of the canceled Form 312 or Form 314. The legend "Canceled" shall be entered across the Form 312 or Form 314 and each Form 313 and 315 accompanying it.

SEC. 233. REPORTS OF COTTON MARKETED.

(a) **Audit of Forms 313-b.**⁵⁵—Each Form 313-b shall be audited as follows to determine whether it has been correctly prepared:

1. If the amount of cotton marketed as shown in item 3 of the first Form 313-b in the book accompanying the red marketing card is less than the producer or farm marketing quota shown in item 2 thereof, the difference must be correctly entered in item 4. Each subsequently executed Form 313-b in the book must be compared with the preceding Form 313-b to determine whether the entry in item 4 of the preceding Form 313-b has been correctly brought forward to item 2. If the balance of the marketing quota as shown in item 4 has not been correctly brought forward on the succeeding Form 313-b or if an error has been made in deducting the amount of cotton marketed in a particular transaction from the unused portion of the marketing quota, the producer shall be notified of the error and requested to bring his red marketing card to the county office for correction. The corrected portion of the marketing quota shall then be entered in item 2 of the first unused set of Form 313 and the entry initialed by a member of the county committee or by its secretary or treasurer. If the error caused the computation in items 5 and 6 of a penalty less than that actually incurred, the error shall be explained to the buyer and the buyer shall be requested to remit the necessary additional amount.

2. If the amount of cotton marketed under the first or any subsequent Form 313 is greater than the entry in item 2 thereof, the amount of cotton marketed in excess of the marketing quota must be correctly shown in item 5 and the amount of the penalty incurred in respect thereto at the rate of 3 cents per pound must be correctly shown in item 6. If the penalty actually incurred is greater than the amount in item 6, the buyer and the producer must be notified of the correct amount of the penalty, and if the buyer has not already remitted the correct amount of the penalty he shall be requested to do so at once.

3. The gin bale numbers or marks or the pounds of seed cotton must be shown in item 7 of Form 313-b. The buyer and producer shall be notified of the error in the event they are not shown and shall be requested to furnish the gin bale numbers or marks of the pounds of seed cotton.⁵⁶

4. The date of the transaction must appear in item 8 of Form 313-b.

5. The name of each producer who has a share in the cotton

⁵⁵ See secs. 603, 802(a)(3), 802(a)(4), 802(a)(7), 803, and 804(a) of the regulations.

⁵⁶ The gin bale numbers or marks may be compared with the gin bale numbers or marks appearing in the heading of columns (e) through (r) of Form 354. This should be helpful in determining the proper execution of item 9 of Form 313. See item 5 below of this paragraph.

marketed and the amount of his share therein, expressed in pounds, must appear correctly in item 9 of Form 313-b or in an attached list. If red marketing cards were issued to each producer for the amount of his producer marketing quotas, and his name **alone** appears in item 9, no exception thereto shall be made by the county office if it is indicated that his share of the cotton grown by him is determined prior to the time of marketing and divided so that the share of the landlord or operator, or both, are marketed separately. If not, he shall be requested to furnish the names and shares of the other interested producers. If the amount of cotton covered by Form 313-b together with the amounts previously marketed is in excess of the producer's share in the cotton produced on the farm as shown by Forms 316 and 326 and the producer's name appears in item 9, the producer shall be requested to furnish the name of the producer for whom the cotton was marketed or requested to explain the difference between the ginners' and buyers' reports. If the red marketing card was issued to the operator in trust for all producers and the name of the operator **alone** appears in item 9, he shall be requested to furnish a satisfactory explanation setting forth the fact that he was the sole person interested in the cotton covered thereby or he must be required to furnish the name of each producer who had a share in the cotton marketed and the amount of each producer's share.

6. Items 10 and 11 respectively of Form 313-b must be correctly executed by the producer and the buyer or transferee.

7. If a Form 326 is received during the month which indicates that cotton was sold in the seed by a producer to whom a red marketing card was issued, and the related Form 313-b (or Form 315-b) is not received within 30 days after the date the cotton was marketed, the buyer and producer shall be requested to furnish a correctly executed Form 313-b (or Form 315-b).⁵⁷

8. If it is indicated from the serial numbers of the Form 313-b received that a Form 313-b which has been executed has not been submitted to the county office, that is, the serial numbers of the Form 313-b received are not in consecutive order, the producer shall be so notified and requested to furnish the name of the buyer or transferee who executed the missing Form 313-b. The buyer or transferee shall then be requested to submit the Form 313-b executed by him.

(b) **Preparation of Form 355 for Form 313-b.**⁵⁸—It shall not be necessary to prepare Form 355 where only one producer has an interest in the cotton marketed, nor shall it be necessary to prepare it when more than one producer has an interest in the cotton marketed and **all** of it is marketed subject to penalty, since the entry to be made on line (b) in the columns headed "Amount" of columns (51) through (63) of Form 317 in the first instance will be the entry in item 6 of Form 313-b and in the second instance will be the product obtained by multiplying by 3 cents the share of each producer in the cotton marketed as shown in item 9 (or a continuation thereof on an attached list) of Form 313-b. If a penalty was incurred with respect to a portion but

⁵⁷ Form 326 is in addition to the report on Form 313 or Form 315. If cotton is sold in the seed by a producer to whom a red marketing card was issued, the buyer shall execute and submit both Forms 313-b and 326. If the buyer is also the ginner, he is required, in addition, to submit an additional report on Form 316. See par. C. 3 on the reverse side of Form 316. This should be observed particularly in the case of "toll" or "remnant" cotton. Where cotton is identified by a white marketing card, the reports on Forms 326 and 316 only are required.

⁵⁸ See sec. 225(h) of these instructions.

not all of the cotton covered by a Form 313-b and more than one producer had an interest in the cotton marketed, Form 355 shall be executed as follows:

1. In the spaces indicated enter the farm serial number and the serial number of the Form 313-b.

2. In column A enter the name of each producer who had an interest in the cotton marketed as shown in item 9 (or a continuation thereof on an attached list) of Form 313-b.

3. In column B enter opposite the name of each producer his share, expressed in pounds, in the cotton marketed and, on the total line in column B, enter the total amount of cotton marketed in the particular transaction.

4. On the total line in column C enter the amount of the penalty as shown in item 6 of Form 313-b.

5. Divide the entry on the total line in column C by the entry on the total line in column B and enter the quotient, carried to four decimal places, in the space provided in the heading of column C.

6. Multiply the entry in the heading of column C by the entry in column B opposite each producer's name and enter the product in column C. The sum of the entries in column C must equal the amount on the total line thereof.

7. Form 355 shall be attached to the Form 313-b to which it relates and the amounts to be recorded on line (b) in the columns headed "Amount" of columns (51) through (63) of Form 317 shall be taken from column C of Form 355.

(c) **Audit of Form 315-B.**⁵⁹—Each Form 315-b shall be audited as follows to determine whether it has been correctly prepared:⁶⁰

1. If the amount of cotton marketed as shown in item 3 of the first Form 315-b in the book accompanying the blue marketing card is less than the amount of carry-over penalty cotton shown in item 2 thereof, the difference must be correctly entered in item 4. Each subsequently executed Form 315-b in the book must be compared with the preceding Form 315-b to determine whether the entry in item 4 of the preceding Form 315-b has been correctly brought forward to item 2. If the balance of the unmarketed carry-over penalty cotton as shown in item 4 has not been correctly brought forward on the succeeding Form 315-b or if an error has been made in deducting the amount of cotton marketed in a particular transaction from the amount of carry-over penalty cotton, the producer shall be notified of the error and requested to bring his blue marketing card to the county office for correction. The corrected unmarketed portion of the carry-over penalty cotton shall be entered in item 2 of the first unused set of Form 315 and the entry initialed by a member of the county committee or by its secretary or treasurer.

2. The entry in item 6 *a* of Form 315-b must be 2 cents times the smaller of the amounts shown in item 2 and item 3 thereof.

⁵⁹ See secs. 604, 802(a)(5), 802(a)(6), 802(a)(7), 803, and 804(a) of the regulations.

⁶⁰ Producers will find it advantageous to use their red and blue marketing cards in the following order in marketing their cotton: **First**, use the red marketing card in marketing cotton up to the amount of the producer or farm marketing quota shown thereon (no penalty will be incurred on such cotton); **Second**, use the blue marketing card for subsequent amounts until an amount equal to the carry-over penalty cotton has been marketed (such cotton will be subject to the 2-cent penalty); and, **Third**, by using the red marketing card for the balance of their cotton.

3. If the amount of cotton marketed under the first or any subsequent Form 315 is greater than the entry in item 2 thereof, the amount of cotton marketed in excess of the amount of carry-over penalty cotton must be correctly shown in item 5 and the amount of the penalty incurred in respect thereto at the rate of 3 cents per pound must be correctly shown in item 6 *b*.

4. If the amount of the penalty actually incurred is not correctly shown in items 6 *a* and 6 *b* the buyer and the producer must be notified of the correct amount of the penalty, and if the buyer has not already remitted the correct amount of the penalty he should be notified to do so at once.

5. The gin bale numbers or marks or the pounds of seed cotton must be shown in item 7. The buyer and the producer shall be notified of the error in the event they are not shown and shall be requested to furnish the gin bale numbers or marks or pounds of seed cotton.

6. The date of the transaction must appear in item 8 of Form 315-b.

7. The name of each producer who has a share in the cotton marketed and the amount of his share therein, expressed in pounds, must appear correctly in item 9 of Form 315-b or in a continuation thereof on an attached list. If the blue marketing card was issued to the operator in trust for all producers and the name of the operator **alone** appears in item 9 he should be requested to furnish a satisfactory explanation setting forth the fact that he is the sole person interested in the cotton covered thereby or he must be required to furnish the name of each producer who had a share in the cotton marketed and the amount of each producer's share.

8. Items 10 and 11, respectively, of Form 315-b must be correctly executed by the producer and buyer or transferee.

9. If it is indicated from the serial numbers of Form 315-b that a Form 315-b has been executed and has not been submitted to the county office, that is, the serial numbers for Form 315-b received are not in consecutive order, the producer shall be so notified and requested to furnish the name of the buyer or transferee. The buyer or transferee shall then be requested to submit the Form 315-b.

(d) **Preparation of Form 355 for Form 315-b.**⁶¹—If the penalty of only 2 cents per pound or a penalty of only 3 cents per pound was incurred with respect to a transaction covered by Form 315-b, and one or more producers had an interest in the cotton marketed, the number of pounds of cotton to be recorded on Form 317 opposite the name of each producer who had an interest in the cotton covered thereby shall be the amount shown opposite his name in item 9 (or a continuation thereof on an attached list) of Form 315-b and the amount of the penalty shall be 2 cents or 3 cents, as the case may be, times such number of pounds. If only one producer had an interest in the cotton covered by Form 315-b and a portion thereof was marketed subject to the penalty of 2 cents per pound and a portion thereof was marketed subject to the penalty of 3 cents per pound, the entry in items 5 and 6 *b* of Form 315-b shall be entered on Form 317 opposite the producer's name in the columns headed "Amount" of columns (51) through (63) and the entry in items 2 and 6 *a* of Form 315-b shall be entered on Form 317 opposite the producer's name in the columns headed "Amount" of columns (68) through (72). If

⁶¹ See sec. 225(h)6 and sec. 225(1) of these instructions.

a portion of the cotton covered by Form 315-b was marketed subject to the penalty of 2 cents per pound and a portion thereof was marketed subject to the penalty of 3 cents per pound and more than one producer had an interest in the cotton marketed, **separate** Form 355 shall be prepared as follows with respect to the amount shown in item 2 and with respect to the amount shown in item 5 of Form 315-b:

1. In the spaces indicated enter the farm serial number and the serial number of Form 315-b.

2. In column A enter the name of each producer who had an interest in the cotton marketed.

3. In column B enter opposite the name of each producer his share, expressed in pounds, in the total amount of cotton marketed as shown in item 9 (or in a continuation thereof on an attached list) on Form 315-b and, on the total line in column B, enter the total amount of cotton marketed in the particular transaction.

4. On the total line in column C for the **first** Form 355 enter the amount of cotton shown in item 2 of Form 315-b and on the total line in column C of the **second** Form 355 enter the amount of cotton shown in item 5 of Form 315-b.

5. Divide the entry on the total line in column C of each Form 355 by the entry on the total line in column B and enter the quotient, carried to four decimal places, in the space provided in the heading of column C.

6. Multiply the entry in the heading of column C of each Form 355 by the entry in column B opposite each producer's name and enter the product in column C. The sum of the entries in column C must equal the amount in the total line thereof.

7. In the **margin** to the right of column C of the **first** Form 355 (prepared with respect to the entry in item 2 of Form 315-b) enter the product obtained by multiplying by 2 cents the entry in column C opposite each producer's name. The sum of the entries so made must equal the amount shown in item 6 *a* of Form 315-b.

8. In the **margin** to the right of the **second** Form 355 (prepared with respect to the entry in item 5 of Form 315-b) enter the product obtained by multiplying by 3 cents the entry in column C opposite each producer's name. The sum of the entries so made must equal the amount shown in item 6 *b* of Form 315-b.

9. Both of the Forms 355 prepared as outlined above shall be attached to the Form 315 to which they relate and the amounts to be recorded in the columns headed "Amount" of columns (51) through (63) of Form 317 shall be taken from the **second** Form 355 and the amounts to be recorded in the columns headed "Amount" of columns (68) through (72) of Form 317 shall be taken from the **first** Form 355.

(e) **Controversies between producers as to the amount of penalty paid by each producer.**⁶²—The amount of the penalty paid by each producer determined as indicated in the foregoing paragraphs of this section shall, if the interest of each producer in the cotton marketed is properly shown in item 9 (or in the continuation thereof on an attached list) of Form 313-b or Form 315-b, be pre-

⁶² See sec. 708(b) of the regulations.

sumed to be correct. If any producer claims that the amount of the penalty actually paid by him with respect to any transaction covered by Form 313-b or Form 315-b is in excess of the amount shown for him on Form 355 or determined by multiplying the entry opposite his name in item 9 of Form 313-b or Form 315-b by 3 cents or 2 cents, as the case may be, it shall be incumbent upon the producer alleging that he has paid the larger amount to establish all facts in connection therewith and to show that he has not been reimbursed therefor. Before the computation of the penalty paid by a producer as recorded on Form 317 is changed to show that a producer paid a larger amount of penalty and that another producer has paid a smaller amount of penalty in respect to a transaction, the producer who it is claimed has paid a smaller amount must file a written statement setting forth the amount of the penalty actually paid by him in respect to the transaction.

(f) **Form 311-A.**—When Form 311-A-b is received in the county office, the county office shall examine the information appearing thereon to determine whether it has been properly executed by the producer to whom issued and by the buyer or transferee. If Form 311-A-b has been properly executed it shall be filed in the folder for the farm. If it has been improperly executed, the buyer and the producer shall be required to properly execute Form 311-A.⁶³

(g) **Form 321.**—Any producer to whom Forms 312 and 313 were issued shall be furnished, upon request, blank Form 321 to be executed as provided in section 606 of the regulations in connection with any cotton produced by him the staple of which is 1½ inches or more in length. When Form 321-b has been executed and returned to the treasurer of the county committee, the total number of net pounds covered thereby shall be posted to Form 317 as a **contra entry in red**⁶⁴ as follows:

1. Opposite the producer's name in the next available column entitled "Reference No." of columns (8) through (30) enter the words "Cotton 321."

2. Opposite the producer's name in the next available column entitled "Net pounds ginned" of columns (9) through (31) enter the total net weight of the cotton covered by the Form 321.

3. File the Form 321-b in the folder for the farm.

(h) **Postage in connection with Forms 311-A-b, 313-b, and 321-b.**—The Post Office Department has authorized postmasters to arrange with treasurers of the county committees to collect the postage due on Forms 311-A-b, 313-b, and 321-b⁶⁵ in two ways; namely, (1) to collect the postage due on each card or group of cards at the time of delivery to the treasurer of the county committee or (2) to collect once a month the postage due on all cards delivered to the treasurer of the county committee during the month. Regular postage stamps cannot be used in connection with the cards since the Postal Laws and Regulations require the use of postage-due stamps. Post-

⁶³ See secs. 602 and 802(a) (2) of the regulations.

⁶⁴ If a contra entry in red is made, the amount to be entered in column (32) or (33) of Form 317 shall be the sum of the entries not made in connection with Form 321 minus the sum of the contra entries. See also sec. 225(e) of these instructions.

⁶⁵ Form 315-b is not printed as a business reply card since a penalty is incurred with respect to each transaction covered thereby and it must be submitted to the treasurer of the county committee with the penalty.

age-due stamps cannot be purchased in advance and regular postage stamps cannot be exchanged for postage-due stamps. In case cards are delivered, the postage-due stamps will be affixed to Form 3582a "Postage Due Bill," and, if necessary, Form 3582a-F, "Postage Due Bill Follow Sheet," and delivered with the cards to the treasurer of the county committee upon payment of the postage. **The treasurer should insist that the stamps be affixed to Form 3582a or Form 3582a-F rather than to the business reply cards.** Where the postage is collected at the end of the month, the postmaster will affix postage-due stamps to Forms 3582a and 3582a-F and tender them to the treasurer of the county committee for payment. In either case, the postage due must be paid upon presentation of the postage-due bill and the payment **cannot** be deferred until the administrative expense voucher covering the item is paid.

(i) **Reimbursement for postage expenses incurred in connection with Forms 311-A-b, 313-b, and 321-b.**—The funds for paying the postage in connection with the cards under either of the methods outlined above may be furnished by the treasurer of the county committee out of his personal funds or a claim therefor may be stated in advance for the estimated amount to be incurred against the administrative expense funds approved in the budget of the county committee. In case the postage due on the business reply cards is paid out of the personal funds of the treasurer of the county committee a claim for reimbursement should be made by him on Form ACP-9, Revised.^{65a} If the possible number of business reply cards to be received in any month will not be large, this method would appear to be desirable since it conforms to the established procedure for supplying the county committee with postage. If the possible number of cards to be received in any month will be large, a claim for the estimated amount of postage expense to be incurred may be stated in the administrative expense voucher for the preceding month. In stating a claim in advance for this purpose, the item should be listed on Form ACP-9, Revised, as in the case of other miscellaneous items, with the following exceptions:

1. In the column headed "Name of individual or firm," enter the name, title, and address of the postmaster from whom the postage-due stamps will be purchased.
2. In the column headed "Nature of services or kind of material," enter the words "Estimated postage for cotton marketing quota business reply cards."
3. Make no entry in the columns headed "Quantity" and "Price per unit."

When an advance claim is so stated, no receipt or bill will accompany the statement of administrative expenses to substantiate the item. This modification of the procedure is limited to cases of this **precise** nature and shall not be authorized or used in connection with any other item of administrative expense of the county committee.

^{65a} Claim for reimbursement shall be made in accordance with par. 3(c), pt. C, of sec. I of SR County Association Procedure 101, Revised, in the Southern region; in accordance with WRF-6 in the Western region; and in the North Central region in accordance with a memorandum to Illinois and Missouri, dated September 15, 1938, Re Procedure to be followed by County Association Treasurers under sec. 224(d) of Cotton 208-NCR in paying postage in connection with business reply cards Forms Cotton 211-A-t, 213-b, and 221-b.

Where payment for the postage due is paid out of the personal funds of the treasurer of the county committee and he is reimbursed out of the administrative expense funds in accordance with the established procedure, Forms 3582a and 3582a-F to which the canceled postage-due stamps are affixed shall be filed with the county office copy of the Form ACP-11 containing the receipt from the treasurer of the county committee for the funds paid to him under his claim for expenses in connection with the postage. Where a claim in advance is made for the estimated amount of the postage expense to be incurred in this connection, a receipt from the postmaster on Form ACP-11 must be secured. If the actual amount of the postage due on the cards during the month does not agree with the estimate and the amount advanced, Form ACP-11 must be modified so that the receipt to be obtained from the postmaster will be for the amount of the postage expense actually incurred during the month and paid. Forms 3582a and 3582a-F must be filed with the county office copy of Form ACP-11 containing the receipt from the postmaster. (In the East Central region, expenses in connection with postage for such forms shall be paid out of the administrative expense funds of the association in accordance with existing procedure as set forth in ECR-ADM-222, issued Sept. 12, 1938).

SEC. 234. RECORD OF FUNDS RECEIVED IN CONNECTION WITH THE PENALTIES.

(a) **Time and form of remittance.**⁶⁶—The penalty is due at the time the cotton is marketed,⁶⁷ but may be remitted to the treasurer of the county committee at any time within the 30 calendar days next succeeding the day on which it was marketed.⁶⁸ The penalty shall be remitted only in legal tender or in the form of checks, drafts, or money orders made payable to the order of the **Treasurer of the United States.**⁶⁹ The remittance must be accompanied by Form 313-b or Form 315-b covering the transaction with respect to which the penalty was incurred⁷⁰ and, if the marketing of the cotton was effected by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer or transferee, in addition to Form 313-b or Form 315-b a copy of the receipt for the penalty issued by the buyer or transferee to the producer.⁷¹ A single remittance may cover several transactions covered by different Form 313-b or Form 315-b. If the funds are in the form of cash, the treasurer of the county committee shall purchase a postal money order in the amount thereof, payable to the order of the **Treasurer of the United States.** The expenses in connection with purchasing the postal money orders shall be paid from funds provided for the administrative expenses of the county agricultural conservation association.⁷² Each check, draft, or money order shall be received subject to collection and payment at par.⁷³

⁶⁶ No attempt is made at this point to give the entire substance of part VII of the regulations and each section thereof should be carefully read in connection with this section of the instructions.

⁶⁷ See sec. 705(a) of the regulations.

⁶⁸ See sec. 706(a) of the regulations.

⁶⁹ See sec. 706(b) of the regulations.

⁷⁰ See secs. 706(b), 802(a) (3), and 802(a) (5) of the regulations.

⁷¹ See secs. 706(b), 802(a) (4), and 802(a) (6) of the regulations.

⁷² See sec. 709 of the regulations.

⁷³ See sec. 706(b) of the regulations.

(b) **Issuance of receipts for funds received in connection with the penalties.**—The treasurer of the county committee shall issue a receipt to the person remitting the penalty.⁷⁴ The receipt shall be on Form 319 (unless Form 319-A is issued as provided in paragraph (e) of this section). Form 319 shall be executed in triplicate. The original shall be delivered to the remitter, the duplicate (yellow copy) forwarded to the State office together with Form 359,⁷⁵ and the triplicate (salmon copy) retained in the county office in a folder for each consecutive unit of 50 receipts in numerical sequence.⁷⁶ Each Form 319 shall be executed as follows:

1. In the space provided enter the State and county code number.
2. Above the words "(Name of remitter)" and "(Full mail address)" enter the name and address, respectively, of the person from whom the treasurer received the remittance.

3. In the space following the words "the sum of" enter, in writing, the amount of the remittance, as for example, "Twenty-five and no/100."

4. Draw a line through the words "as security for payment of the penalty."

5. In the column headed "Farm Serial No." enter the serial number, as shown on Form 313-b or Form 315-b, for each farm in connection with which the remittance was made.

6. In the column headed "Serial No. of Cotton 313" enter the printed serial number of each Form 313 covering the transactions with respect to which the remittance was made.

7. In the column headed "Serial No. of Cotton 315" enter the printed serial number of each Form 315 covering the transactions with respect to which the remittance was made.

8. In the column headed "Name of producer" enter the name of the producer whose name appears in item 1 of the Form 313 or 315.

9. In the column headed "Number of pounds" enter, in the case of Form 313, the amount shown in item 5 thereof and, in the case of Form 315, the amount shown in item 5 plus the smaller of the amounts in items 2 and 3 thereof.

10. In the column headed "Amount" enter the amount of the remittance received in connection with each farm and, opposite the word "Total" in the column headed "Amount" enter the sum of the entries therein which must agree with the total amount of the remittance received.⁷⁷

11. If the funds received are in the form of cash, or partly in the form of cash, enter the word "Cash" in the column headed "Drawer" and in the amount thereof in the column headed "Amount." On the first and second copies enter in the column headed "Drawer" the letters "USPMO" followed by the name of the post office from which the treasurer of the county committee obtained the postal money order for the amount of the cash and in the column headed "Date" enter the date thereof.⁷⁸

⁷⁴ See sec. 706(a) of the regulations.

⁷⁵ See par. (c) of this section.

⁷⁶ See sec. 203 of these instructions.

⁷⁷ See secs. 225(h) and 225(l) of these instructions. Also see par. (d) of this section.

⁷⁸ See sec. 709 of the regulations.

12. If the remittance is in the form of a check, draft, or money order, the checks, drafts, or money orders shall be described in the receipt as follows:

- a. In the column headed "Date" enter the date of the check, draft, or money order.
- b. In the column headed "Drawer" enter the name of the person who signed the check or draft or who obtained the money order.
- c. In the column headed "Drawee" enter the name of the bank or firm or person on which the check or draft was drawn, or in the case of a postal money order, the letters "USPMO" followed by the name of the issuing post office.
- d. In the column headed "Amount" enter the amount of the check, draft, or money order or the funds received in the form of cash and, opposite the word "Total," enter the sum of the entries made therein.

13. The treasurer of the county committee **shall sign the original and two copies and enter the date of his signature.**

(c) **Deposit of funds.**⁷⁹—All funds received by the treasurer of the county committee in connection with the marketing of cotton shall be transmitted by him on the day received, or not later than the morning of the succeeding day, to the secretary of the State committee. The funds shall be scheduled for transmittal on Form 359 prepared in triplicate. The original and first carbon copy (the yellow copy) shall be forwarded to the State office together with checks, drafts, and money orders and the Forms 319 (the yellow copy thereof) and 319-A (the salmon copy thereof) described therein. The second carbon copy (the salmon copy) shall be retained in the county office in a pending file. The original will be returned as a receipt from the State office and the original and second carbon copy shall then be filed in a folder in the numerical order of the transmittal numbers. Form 359 shall be prepared as follows:

1. In the spaces indicated enter (a) the transmittal number, beginning with No. 1 for the first schedule and continuing thereafter in numerical sequence, (b) the State and county code number, (c) the sheet number and total number of sheets in the schedule, and (d) the marketing year; that is, "1939-40."

2. In either column 1, column 4, or column 7 enter the printed serial numbers of Form 319. The printed serial numbers of Form 319 shall be listed in consecutive order in numerical sequence.

3. In either column 2, column 5, or column 8 enter the printed serial numbers of Forms 319-A.⁸⁰ The printed serial numbers of Forms 319-A shall be listed in consecutive order in numerical sequence after Form 319 has been listed.

4. In either column 3, column 6, or column 9 enter the amount covered by each Form 319 and 319-A⁸¹ and, after the word "Total" in column 9, enter the sum of the entries in columns 3, 6, and 9.

5. The treasurer of the county committee shall execute part I by signing his name on the original and two copies and entering thereon the date of his signature.

⁷⁹ See sec. 709 of the regulations.

⁸⁰ See par. (e) of this section.

⁸¹ See item 10 of par. (b) and item 8 of par. (e) of this section.

(d) **Record on Form 356 of funds received.**—The funds received shall be recorded on Form 356 as follows:

1. In column (10) enter the date on which the funds were received as indicated by the date of the Form 319.

2. Make no entry in column (11).

3. In column (12) enter the printed serial number of the Form 319. If the receipt covers remittances for more than one farm, make the one entry in column (12) for all of the farms covered thereby.

4. In column (13) enter on separate consecutive lines the farm serial number of **each** farm as shown on Form 319.

5. In column (14) enter on separate consecutive lines the amount of the funds received for **each** farm as shown on the Form 319.

6. In column (15) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.

7. If the checks, drafts, or money orders received are not honored upon presentment for payment, a **contra entry in red** duplicating the information previously entered in part II of Form 356 shall be made in columns (10) through (15) or part II of Form 356.⁸²

8. If subsequently the amount of the dishonored checks, drafts, or money orders is remitted, the procedure outlined above in this subsection shall be followed.

(e) **Payment of the penalty prior to the marketing of cotton.**—

If a producer to whom a Form 312 and book of Forms 313 or Form 314 and book of Forms 315 were issued tenders the penalty, for which he would be liable upon the marketing of any cotton, prior to the time such cotton is marketed, as provided in section 705 (c) of the regulations, the treasurer of the county committee shall receive the penalty and issue a receipt therefor on Form 319-A, prepared in quadruplicate, distributed, and dealt with as follows:

1. A **separate receipt** shall be prepared for **each bale** of cotton with respect to which the penalty is tendered.

2. In the spaces indicated enter the printed serial number of the producer's Form 312 or 314, as the case may be, and the State and county code number.

3. Above the words "(Name of producer)" and "(Full mail address)" enter the name and address, respectively, of the producer.

4. In the space following the words "the sum of" enter, in words, the amount of the penalty paid, as for example, "Fifteen and no/100."

5. In the space following the words "one bale containing" enter the net weight of the bale of cotton with respect to which the penalty is tendered.

6. In the space following the words "or mark" enter the gin bale number or mark of such bale.

7. In the space following the words "Serial No." enter the serial number of the farm.

8. After the dollar mark above the word "Amount" enter, in figures, the amount of the penalty tendered with respect to such bale which must agree with the amount thereof entered in words in the body of part I.

9. The treasurer of the county committee shall sign the original and the three copies and enter on each the date of his signature.

⁸² If a **contra entry in red** is made, the total of column (14) of Form 356 shall be the sum of the other entries therein minus the sum of the contra entries.

10. The producer shall sign his name in the space indicated on the original and the three copies and enter on each the date of his signature.

11. The original and first copy (yellow copy) shall be delivered to the producer and the third and fourth copies (salmon and green copies) retained by the treasurer of the county committee.

12. The funds received shall be scheduled for deposit in the special deposit account as provided in paragraph (c) of this section, and the information shown on the Form 319-A shall be posted to Form 356 in the manner outlined in paragraph (d) of this section except that the legend "Cotton 319-A" shall be entered in column (12) above the printed serial number of Form 319-A.

13. Form 319-A shall be placed in a pending file until the related Form 313-b or 315-b is returned to the county office as provided in sections 802(a)7 and 804(a)6 of the regulations. The data on Form 313-b or 315-b and the related Form 319-A shall be posted to Form 317 as provided in sections 225(h) and 225(1) of these instructions. The fourth copy of Form 319-A shall then be filed in a folder for each consecutive unit of 50 receipts in numerical sequence.⁸³

(f) **Uncollectible items.**—If any check, draft, or money order is not honored upon presentment for payment, the check, draft, or money order will be returned to the treasurer of the county committee. The treasurer of the county committee shall notify the drawer of the check or draft or the person who obtained the money order of the return of the item and of the reasons therefor and he shall be requested to make an acceptable remittance in the amount due. A **contra entry in red** duplicating the information previously entered on Form 317 in connection with the remittance shall be made. A similar contra entry in red shall be made on Form 356.⁸⁴ The total of the original Form 359 shall be lined out and the original total thereof less the total amount of the uncollectible items shall be entered in lieu thereof and the entry initialed and dated by the treasurer of the county committee. Enter the word "Uncollectible" opposite the entry for the uncollectible item on Form 359. A new remittance replacing the one previously returned as being uncollectible shall be handled in every respect as if it were an original item with the exception that a notation shall be made in the body of the new Form 359 that the remittance represents the recovery of the amount of the uncollectible remittance previously scheduled under transmittal No. _____ of Form 359, and schedule No. _____ of Standard Form No. 1044, revised, and for which the receipt on Form 319 (or 319-A) No. _____ was issued.

(g) **Transfers from the 1938-39 Cotton Special Deposit Trust Account to the 1939-40 special deposit account.**—Where funds are transferred from the 1938-39 Cotton Special Deposit Trust Account to the 1939-40 special deposit account under any of the conditions, other than to be applied as funds to be held in escrow to secure the payment of the estimated penalty during the 1939-40 marketing year, enumerated in item 27 of section 224 of these instructions,⁸⁵ the treasurer of the county committee shall draw a check payable to the order

⁸³ See sec. 203 of these instructions.

⁸⁴ See item 7 of par. (d) of this section.

⁸⁵ See also sec. 225(h)7 of these instructions.

of the Treasurer of the United States against the 1938-39 cotton special deposit trust account in the amount to be so transferred. The check shall be scheduled for deposit and transmitted to the State office on a **separate Form 359** in the manner outlined in paragraph (c) of this section with the exception that the legend "1938—Transfer" shall be entered in column 1 thereof and the 1939 farm serial number in connection with which the funds are to be held shall be entered in column 2 thereof and a statement in full of all facts in connection with the transfer shall be attached thereto. The transaction shall be recorded on Form 356 in the manner outlined in paragraph (d) of this section with the exception that the legend "1938—Transfer" shall be entered in column (12) thereof. The issuance of the check shall be recorded in part IV of Form 256, as follows:

1. In column (14) enter the date of the check drawn by the treasurer of the county committee payable to the order of the Treasurer of the United States.

2. In column (15) enter the number of such check.

3. Make no entry in column (16).

4. In column (17) enter the remittance schedule number of Form 359.

5. In column (18) enter the words "Treasurer of the United States, 1938—Transfer."

6. In column (19) enter the amount of the check drawn payable to the order of the Treasurer of the United States.

SEC. 235. BUYERS FAILING OR REFUSING TO REQUIRE COTTON TO BE IDENTIFIED BY MARKETING CARDS OR TO COLLECT A PENALTY OR TO REMIT TO THE TREASURER OF THE COUNTY COMMITTEE ANY PENALTY COLLECTED.

(a) **Request for Form 320.**—The buyer should be requested to make a report on Form 320 to the county committee on all cotton purchased by him during the marketing year. The county committee must make the request for the execution of Form 320 strictly in accordance with section 802(b) of the regulations. In order that the buyer may be informed of the facts on which the request to submit Form 320 is predicated, the letter containing the request should set forth each instance wherein the committee has reason to believe that the conduct of the buyer contravened the provisions of the act and regulations and the amount of any penalty which the buyer under the circumstances was required to collect and remit to the treasurer of the county committee. The letter should also contain a citation to the applicable sections of the act and regulations, and a copy of the regulations should accompany the letter.

(b) **Failure to require the identification of cotton.**—If the buyer has purchased cotton from a producer without requiring the producer to identify the cotton by the use of marketing cards, the attention of the buyer should be directed to part VI, and section 802 of the regulations and sections 372, 373, and 375 of the act. It should be pointed out to him that section 601 of the regulations provides that the buyer shall, unless the cotton purchased is identified by the producer by the use of cotton marketing cards, deem the cotton to be subject to the penalty provided for in section 348 of the act, which, under section 372(a) of the act, shall be collected by the buyer and remitted to the Secretary of Agriculture in accordance with the

regulations prescribed under section 372(b) of the act. The buyer should be referred to sections 705 and 706 of the regulations, wherein it is provided that the penalty shall be due at the time the cotton is marketed and that the penalty shall be remitted to the treasurer of the county committee not later than 30 calendar days next succeeding the day on which the cotton was marketed by the producer.

(c) **Failure or refusal to collect the penalty.**—If the buyer purchased cotton from a producer, and the cotton was identified to him by the use of marketing cards as being marketed subject to the penalty, and the penalty was not collected by the buyer, the attention of the buyer should be directed to part VI and section 802 of the regulations and sections 372 and 373 of the act. It should be pointed out to him that section 372 of the act requires the buyer to collect the penalty incurred with respect to the marketing of cotton by sale and that the amount of the penalty incurred, pursuant to sections 705 and 706 of the regulations, became due at the time the cotton was marketed and was required to be remitted by him to the treasurer of the county committee not later than 30 calendar days next succeeding the day on which the cotton was marketed by the producer.

(d) **Failure or refusal to remit the penalty.**—If the buyer collected a penalty from a producer and failed or refused to remit the penalty to the treasurer of the county committee, the attention of the buyer should be directed to sections 705, 706, and 802 of the regulations and sections 372 and 373 of the act. The buyer should be further advised that, when he collects the penalty, the amount collected must be remitted to the treasurer of the county committee within the period specified in section 706 of the regulations and that any action to the contrary is against the specific provisions of the law and regulations and constitutes an unlawful detention and use of the funds collected.

(e) **General.**—In addition to the foregoing, the buyer in each case should be advised that, pursuant to sections 712 and 806 of the regulations, the county committee is under a duty to report any case where the buyer is actually in default in order that proceedings under section 376 of the act may be instituted to enforce specifically the provisions of the act. The county committee or one of its members should endeavor to confer personally with the buyer.

(f) **Continued default of buyer.**—If Form 320 is not received within 15 calendar days after the request therefor is forwarded to the buyer by registered mail, or if Form 320 is received and the penalties are not remitted by him, or if he continues in default in both respects a report **in quintuplicate** should be prepared and the original and three copies thereof transmitted to the State committee. The report should show the name and full mail address of the buyer and of each producer from whom, according to the information of the county committee, the buyer purchased cotton and failed or refused to conform to the act and the regulations in purchasing the cotton. The report should also show a full and particular description (in addition to the farm serial number) of the farm on which the cotton was produced, the date on which the cotton was purchased and the place at which the transaction occurred, the amount of the penalty incurred and the amount thereof which was or was not collected. In

addition, the same number of copies of all correspondence from the county committee to the buyer and the producers and replies thereto and any statements made by the buyer and the producers should accompany the report. In the event the Form 320 submitted by the buyer indicates that a penalty was incurred with respect to the marketing of any cotton purchased by the buyer which was not collected and remitted by him to the treasurer of the county committee, the buyer should be so notified and requested to remit the amount thereof without further delay to the treasurer of the county committee. Where the Form 320 indicates that cotton produced in any other county was purchased by the buyer, the county committee for each other such county should be notified in writing so that it may be determined whether the buyer is in default with respect to the remittance of penalties to its treasurer.

(g) **Payments to producers from whom the penalty should have been collected.**—While the county committee is attempting to enforce the provisions of the act and regulations in the manner indicated above, no check for any payment under any program or law which may be or become due to any producer from whom the buyer should have collected the penalty shall be delivered to the producer until the provisions of the act and the regulations are satisfied. However, where the buyer has collected the amount of the penalty and failed or refused to remit it to the treasurer of the county committee, and the producer is not conniving in such failure or refusal, there is no ground for withholding payments which may be or become due to the producer from whom the buyer collected the penalty. In the type of case last mentioned, the county committee should secure from the producer a copy of the receipt issued by the buyer for the amount of the penalty collected and a statement signed by the producer showing the facts in regard to the collection of the penalty.

SEC. 236. PRODUCERS FAILING OR REFUSING TO REMIT A PENALTY TO THE TREASURER OF THE COUNTY COMMITTEE.

(a) **Producer's liability to remit penalty distinguished from that of buyer.**—The liability of a producer to remit the penalty, as distinguished from the liability of the buyer to collect and remit the penalty, will generally arise under the following circumstances:

- (i) A white marketing card was erroneously issued to a producer;
- (ii) Cotton produced in excess of the farm marketing quota was identified when marketed by a white marketing card issued with respect to another farm and was purchased in good faith by a buyer who had no knowledge of the misuse of the card; or
- (iii) Cotton produced in excess of the farm marketing quota was delivered in payment of a standing or fixed rental or other charge for land and the producer and transferee did not agree, as provided in section 705(b) of the regulations, that the penalty should be collected and remitted by the transferee. Where the circumstances are such as are referred to in this section, the procedure outlined in section 235 of these instructions is inapplicable and a demand for the amount of the unpaid penalty must be made on the producer rather than on the buyer. The demand should be made in writing and forwarded, together with a copy of the regulations, by registered mail (return receipt requested) to the producer. After the demand has been forwarded to the producer, a member of the county

committee should call on the producer and endeavor to discuss with him the applicable provisions of the act and regulations with a view to obtaining the payment of the penalty.

(b) **White marketing card erroneously issued to producer.**—In the cases referred to in (i) of paragraph (a) of this section, the letter from the county committee to the producer should explain that the issuance of a white marketing card does not in and of itself relieve the producer of his liability for the penalty imposed by section 348 of the act if cotton is marketed in excess of the farm marketing quota, and that section 372(b) of the act provides that the person liable for the penalty under the facts in his case shall remit the penalty in accordance with the regulations. The letter should also point out that the regulations, in sections 705 and 706, provide that the penalty is due at the time the cotton is marketed and must be remitted to the treasurer of the county committee not later than 30 calendar days thereafter.

(c) **Cotton produced in excess of the farm marketing quota identified when marketed by a white marketing card issued to another producer.**—The cases referred to in (ii) of paragraph (a) of this section involve an improper use of the cotton marketing cards in an attempt to falsify the records in regard to the production of cotton or the production and marketing of cotton by a producer who is liable for the penalty provided in section 348 of the act and would render the producers, as well as the buyer, unless he acted in good faith without knowledge of the misuse of the cards, engaging in the transaction amenable to the statutes punishing frauds, attempts to defraud, or conspiracies to defraud the Government. When the county committee has reason to believe that one or more producers have engaged in a transaction of this kind, the county committee should discuss the matter with the producers involved and explain the circumstances to them in order that they may adjust the records and pay the penalties accordingly. Where violations of this kind have been attempted, the county committee should endeavor to establish the full facts in connection with each case by obtaining information in regard to the ginning and sale of all cotton from both farms in the form of statements from the producers and from the ginners and buyers of their cotton.

(d) **Marketing by barter or exchange.**—Where the facts in (iii) of paragraph (a) of this section are found to exist, the letter from the county committee should direct the attention of the producer to sections 705, 706, and 804(a)4 of the regulations and explain to him that, pursuant to section 372(b) of the act, the amount of the penalty incurred is due and payable. The letter should also direct the attention of the producer to the definition of the terms "barter" and "exchange" as used in section 101(b) (35) of the regulations in defining the term "market."

(e) **General.**—In addition to the foregoing, the producer in each case should be advised that, pursuant to sections 712 and 806 of the regulations, the county committee is under a duty to report any case where the producer is actually in default in order that proceedings under section 376 of the act may be instituted specifically to enforce the provisions of the act.

(f) **Continued default of producer.**—If the penalties are not remitted to the treasurer of the county committee, a report in **quintuplicate** should be prepared and the original and three copies thereof transmitted to the State office. The report should show the name and full mail address of the buyer and of each producer and a full and particular description (in addition to the farm serial number) of the farm on which the cotton was produced, the date on which the cotton was marketed, and the place at which the transaction occurred, if the county committee has knowledge of these facts, the amount of the penalty incurred, and the amount thereof which was or was not paid. In addition, the same number of copies of all correspondence from the county committee to the producer and replies thereto and any statements made by the producer should accompany the report.

SEC. 237. APPORTIONMENT AND REAPPORTIONMENT OF PRODUCER MARKETING QUOTAS.⁸⁶

(a) **Initial reapportionment.**—Producer marketing quotas are established for each farm. If there is only one producer on the farm, he is entitled to the entire amount of the farm marketing quota as his producer marketing quota. If Form 317 is not prepared for a farm, the apportionment of producer marketing quotas will not be made, since in that event white marketing cards will be issued to the producers and their producer marketing quotas will be equal to the amount of their share in the cotton produced in 1939 on the farm plus the amount of their carry-over penalty-free cotton.⁸⁷ For farms for which Form 317 is prepared, producer marketing quotas shall **first** be apportioned pursuant to item (1) of section 304 of the regulations **prior to the time any marketing cards are issued to the producers.**⁸⁸ The issuance of a white marketing card under section 501(b), 501(c), or 501(d) of the regulations does not alter the requirement that producer marketing quotas shall be so apportioned.⁸⁹ The county committee is authorized under item (4) of section 304 of the regulations to change, upon application therefor by a producer, the apportionment under item (1) thereof so that the producer marketing quotas will be fair and equitable. This provision, while not limited to, is primarily applicable to cases where the productivity of the various producer units on the farm is not the same and particularly so if, in addition, one or more of the producers have carry-over penalty cotton. In such cases the county committee should discuss with the farm operator the relative productivity of the various producer units in order that initial producer marketing quotas may be apportioned in view of the relative productivity of the producer units rather than under item (1) of section 304 of the regulations, which distributes the normal production of the farm acreage allotment among the producers according to their shares in the acreage planted to cotton. **Comment:** In 1939, for example, producer A and producer B have planted the same number of acres of cotton on the farm and the producer marketing quotas apportioned under item (1) of section 304 of the regulations are as follows: A 2,000 pounds; B 2,000 pounds; and the operator 4,000 pounds. A has 1,000 pounds of carry-over penalty cotton. The land

⁸⁶ See also sec. 301 of the regulations.

⁸⁷ See item (6) of sec. 304 of the regulations.

⁸⁸ The computation of initial producer marketing quotas is described in sec. 225(c) of these instructions.

⁸⁹ See sec. 707(g) of the regulations.

of B is twice as productive as that of A. No adjustment is made under item (4) of section 304 of the regulations. In 1939 the total production on the farm is 8,000 pounds, in which the producers share as follows: A 1,000 pounds; B 3,000 pounds; and the operator 4,000 pounds. When the final production is determined A has marketed under his red marketing card his share in the 1939 production as well as the carry-over penalty cotton of 1,000 pounds and has paid no penalties. The reapportionment of producer marketing quotas under item (3) of section 304 of the regulations does not permit the reduction of the producer marketing quota of A below his share in the 1939 production plus the carry-over penalty cotton marketed at that time. B will pay a penalty of \$30 on the marketing of all of his cotton and would be entitled to a refund of only \$10, since a penalty of \$20 is due with respect to all cotton marketed from the farm. If an adjustment under item (4) of section 304 of the regulations is made at this time to give a producer marketing quota to each producer equal to his share in the cotton produced in 1939, the increase in the producer marketing quota for B cannot be made available to him unless and until A pays the penalty of \$20.

(b) **Intermediate reapportionment.**—Producer marketing quotas as first determined may be reapportioned under item (2) of section 304 of the regulations prior to the time the total amount of cotton produced on the farm is determined when the reports of cotton produced (on Forms 316 and 326) show that the actual average yield per acre at that time is greater than the normal yield per acre. Prior to the time any intermediate reapportionment is made, the share of each producer in the cotton produced as shown in columns (8) through (31) of Form 317⁹⁰ must be verified by the operator and, if necessary, by other producers and any necessary adjustments made therein. As a rule, not more than two intermediate reapportionments should be made. Intermediate reapportionments, while not limited to, are particularly applicable to underplanted farms in connection with which one or more producers have carry-over penalty cotton, since, except in cases where one or more of the producers have completed the harvesting of all cotton grown by them, the intermediate reapportionment results in a percentage increase in the producer marketing quotas previously apportioned.⁹¹ Where one or more of the producers have completed the harvesting of all cotton grown by them, the amount of the producer marketing quota for each such producer is subject to two limitations; namely, (i) it cannot be less than the producer marketing quota previously apportioned to him, if his share in the total production equals or exceeds it, and (ii) it cannot be more than his share in the total production plus the carry-over penalty cotton he has marketed at the time of the intermediate reapportionment.⁹² If an intermediate reapportionment under item (2) of section 304 of the regulations is not fair and equitable, the county committee may, under item (4) of section 304 of the regulations, alter the reapportionment under item (2) so that it will be fair and equitable to all producers concerned.

⁹⁰ See sec. 225(e) of these instructions.

⁹¹ The computation of an intermediate reapportionment is described in sec. 225(f) of these instructions.

⁹² See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations.

(c) **Final reapportionment.**—As soon as possible after all cotton has been harvested in 1939 on a farm for which a Form 317 was prepared, the producer marketing quota previously apportioned shall be reapportioned under either item (2) or (3) of section 304 of the regulations on the basis of each producer's share in the total production on the farm.⁹³ The producer marketing quota for any producer as finally determined is subject to two limitations; namely, (1) it cannot be less than the producer marketing quota previously apportioned to him, if his share in the total production is in excess of it, and (2) it cannot be more than his share in the total production plus the carry-over penalty cotton he has marketed at the time of the final reapportionment.⁹⁴ Before a final reapportionment is made, the farm operator and, if necessary, the other producers must verify the share of each producer in the total production as shown in column (32) of Form 317, and the correct share of each producer must be entered in column (33) of Form 317.⁹⁵ If there is only one producer unit on the farm and the farm marketing quota is not increased—in other words, the normal yield per acre is greater than the actual average yield of the planted acreage—the final adjusted share in the normal production of the farm acreage allotment to be entered in column (46) of Form 317 will be the same as that shown in column (3) thereof and no reapportionment will be necessary. If there is no carry-over penalty cotton in connection with the farm and the farm is an underplanted farm, the share in the greater of the normal or actual production of the farm acreage allotment to be shown in column (46) of Form 317 shall be the share of each producer in the total production in 1939 on the farm. If there is no carry-over penalty cotton in connection with the farm and the farm is an overplanted farm where the total production of the acreage planted to cotton is equal to or less than the normal production of the farm acreage allotment, the share of each producer therein to be shown in column (46) of Form 317 shall be the share of each producer in the total production in 1939 on the farm. If the final reapportionment under item (2) or (3) of section 304 of the regulations is not fair and equitable, the county committee may, under item (4) of section 304 of the regulations change the reapportionment under item (2) or (3) so that it will be fair and equitable to all producers concerned.

(d) **Adjustments by the county committee.**—If an apportionment or reapportionment is changed under item (4) of section 304 of the regulations, the change must be predicated on a request from a producer for a review of the apportionment or reapportionment under items (1) or (2) or (3) of section 304 of the regulations. However, the county committee should discuss the matter with the farm operator or other producers when it is apparent that an adjustment might properly be made under item (4) to determine whether one or more of the producers want an adjustment. If an apportionment or reapportionment is made under item (4), the change cannot increase the amount of the farm marketing quota but must be an adjustment as

⁹³ See sec. 225(e) and sec. 226 of these instructions.

⁹⁴ See the next to the last sentence in item (2) and the last sentence in item (3) of sec. 304 of the regulations.

⁹⁵ The computation of the final reapportionment is described in sec. 225(g) of these instructions.

between producers.⁹⁶ A memorandum showing the basis of any apportionment or reapportionment under item (4) must be made by the county committee and filed in the folder for the farm.

(e) **Carry-over penalty-free cotton.**—The amount of carry-over penalty-free cotton in connection with the farm together with the greater of the actual or normal production of the farm acreage allotment constitutes the farm marketing quota and the amount of each producer's carry-over penalty-free cotton plus his share in the greater of the actual or normal production of the farm acreage allotment apportioned to him under items (1), (2), and (3), or as adjusted under item (4), of section 304 of the regulations constitutes each producer's producer marketing quota.⁹⁷ However, the amount of carry-over penalty-free cotton pledged as security for a Commodity Credit Corporation loan (shown in column (6) of form 317) is not to be included in the amount for which any red marketing card is issued unless and until it is withdrawn from the loan.⁹⁸

(f) **Limitations on the amount of producer marketing quotas.**—The producer marketing quota or the sum of all producer marketing quotas with respect to any farm as evidenced by red marketing cards issued to or for the producers thereon, exclusive of any canceled marketing cards, shall not exceed the sum of (1) the normal production of the farm acreage allotment or actual production of the farm acreage allotment, whichever is the greater, and (2) the amount of carry-over penalty-free cotton **not** pledged as security for a Commodity Credit Corporation loan.

SEC. 238. PENALTIES SECURED BY BONDS OR MONEY HELD IN ESCROW.

(a) **Conditions under which bonds or money to be held in escrow will be accepted.**⁹⁹—A bond of indemnity on Form 323 or funds deposited to be held in escrow may be accepted for the following types of farms: (1) an overplanted farm in connection with which there is either carry-over penalty cotton or no carry-over penalty cotton and it is estimated that a penalty will be incurred in connection with the marketing of cotton from the farm, or (2) an underplanted farm in connection with which one or more producers have carry-over penalty cotton and it is estimated that a penalty in connection with the marketing of cotton from the farm will be incurred. A separate bond or amount of funds to be held in escrow must be tendered in connection with each such farm in which any of the producers thereon have an interest.¹ The bond or funds to be held in escrow must be tendered prior to the time any cotton is marketed from the farm and prior to the time the total production thereon in 1939 is determined. If they are not so tendered they shall not be accepted.² The owner or operator who executes the bond as principal or who tenders the funds to be held in escrow must be of good character and reputation in the community in which he resides and, in the opinion of the county committee, financially able to answer for the amount of the penalties. Each surety under a bond of indemnity shall be an owner of real property situated within the county and, in addition, shall be eligible to receive

⁹⁶ See item (7) of sec. 304 of the regulations.

⁹⁷ See sec. 301 and item (6) of sec. 304 of the regulations.

⁹⁸ See sec. 502 of the regulations.

⁹⁹ See sec. 707 of the regulations.

¹ See sec. 707 (f) of the regulations.

² A bond or funds to be held in escrow are intended to secure the payment of a contingent penalty, the amount of which is yet to be ascertained.

a payment under the 1939 Agricultural Conservation Program of not less than the amount of the principal sum of the bond. Neither an employee of the County Agricultural Conservation Association nor a member of the county or community committee nor the secretary or treasurer of the county committee may be a surety. In no event shall a bond or funds to be held in escrow be accepted if the county committee determines, in view of all the circumstances, that the acceptance thereof is not justifiable.

(b) **Estimating the penalty secured and amount of bond or funds in escrow.**³—The county committee shall have the yield of the cotton crop appraised after bolls are formed. The number of pounds of lint cotton estimated to be produced in 1939 on the farm in excess of the farm marketing quota shall be the result obtained by subtracting from the total estimated production in 1939 the amount of the normal production of the farm acreage allotment. The number of pounds of carry-over penalty cotton shall be the sum of the entries in columns 15 and 19 of Form 350.⁴ The amount of the bond or funds in escrow shall not be less than the sum of the following: (1) the amount determined by multiplying 3 cents by the number of pounds so estimated to be produced in excess of the farm marketing quota, and (2) the amount determined by multiplying 2 cents by the number of pounds of carry-over penalty cotton. A memorandum showing the basis for determining the amount of the estimated penalty shall be filed in the farm folder.

(c) **Placing funds in escrow.**⁵—Any funds delivered by the owner or operator of the farm to be held in escrow shall be only in legal tender or in the form of a cashier's check or money order drawn payable to the order of the **Treasurer of the United States**. The treasurer of the county committee shall issue a receipt on Form 319 to the person depositing the funds. The receipt shall be prepared as outlined in section 234(b) of these instructions with the exception that the words "in payment of the penalty" shall be deleted instead of the words "as security for payment of the penalty." The funds shall be scheduled for deposit and transmitted to the State office in the manner outlined in section 234(c) of these instructions. The receipt of the funds to be held in escrow shall be recorded on Form 317 as provided in section 225(i) and 225(m) of these instructions. The treasurer of the county committee shall record the receipt of the funds to be held in escrow in part I of Form 356 as follows:

1. In column (1) enter the date on which the funds were received as indicated by the date of the Form 319.
2. In column (2) enter the printed serial number of the Form 319.
3. In column (3) enter the serial number of the farm.
4. In column (4) enter the amount of the funds received as shown on the Form 319.
5. In column (5) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.

(d) **Execution of bond.**⁶—If a bond on Form 323 is executed by the owner or operator and two sureties, the county committee shall

³ See sec. 707(d) of the regulations.

⁴ See items 15, 16, 19, and 20 of sec. 224 of these instructions.

⁵ See sec. 707(c) of the regulations.

⁶ See sec. 707(b) of the regulations.

verify the sufficiency and form of the bond and indicate its approval as follows:

1. In the spaces provided enter the State and county code and farm serial number and the bond serial number. The bond serial number shall be number "1" for the first bond approved and continue thereafter in numerical sequence for bonds subsequently approved.

2. Determine that—

- a. The name of the owner or operator of the farm appears thereon as principal;
- b. The names of the county and State have been entered;
- c. The names of the two sureties have been entered;
- d. The amount of the principal sum entered is not less than the estimated amount of the penalty to be incurred;⁷
- e. The date and place of execution are properly shown;
- f. The amount of cotton estimated to be produced in excess of the farm marketing quota, determined as provided in paragraph (b) of this section has been entered;
- g. The amount of carry-over penalty cotton, as shown in columns 15 and 19 of Form 350, has been entered;
- h. The signatures and addresses of the principal and two sureties appear thereon and agree with the names entered above in the body of the bond;
- i. The signatures of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided; and
- j. The "Justification of Sureties" has been completed and **executed and acknowledged before a proper officer.**

3. If the county committee finds that the bond has been properly executed and that, to the best of its knowledge and belief, the sureties are good and sufficient, the "Certificate of County Committee" shall be executed by a member of the committee.⁸

4. The original shall be delivered to the treasurer of the county committee, one copy retained by the principal, and one copy retained by each of the sureties.

(e) **Cancellation of red and blue marketing cards previously issued.**⁹—If Forms 312 and 313 or 314 and 315 were issued to producers on the farm prior to the execution of the bond or the depositing of the funds to be held in escrow, the Forms 312 and 313 and 314 and 315 must be returned to the county committee prior to the time any Forms 311 are issued. The Forms 312 and 314 shall be canceled by stamping across the face thereof in bold letters the legend "Canceled" and the same legend shall be so stamped or endorsed on each set of Forms 313 and 315 in the books accompanying the Forms 312 and 314. In column J of Form 310-A on the same line with the serial number of the Forms 312 and 314 enter the legend "Bond" or "Escrow," as the case may be. The canceled forms 312 and 313 and Forms 314 and 315 shall be filed in the folder for the farm.

(f) **Issuing white marketing cards.**¹⁰—After the bond of indemnity on Form 323 has been approved or after the funds tendered to be

⁷ See par. (b) of this section.

⁸ See the conditions set forth in par. (a) of this section.

⁹ See the next to the last sentence in sec. 501(b) of the regulations.

¹⁰ See sec. 501(a) of the regulations.

held in escrow have been scheduled for deposit in the 1939-40 special deposit account and any Forms 312 and 313 or 314 and 315 theretofore issued have been canceled, the county committee shall issue Forms 311 to the producers on the farm in accordance with section 219 of these instructions, except that:

1. A separate listing on Form 310-A shall be prepared.
2. Stamp the words "Penalty secured" across the face of each Form 311.
3. Enter the words "Bond" or "Escrow," as the case may be, above the title of Form 310-A.

(g) **Record of cotton produced.**—The record of cotton produced shall be taken from the ginner's report on Form 316 and from Form 326 and recorded in columns (8) through (33) of Form 317 in the manner indicated in section 225 (e) of these instructions.

(h) **Apportionment and reapportionment of producer marketing quotas.**—The acceptance of a bond or funds to be held in escrow does not alter the requirement that producer marketing quotas be apportioned and reapportioned as provided in section 304 of the regulations.¹¹ At the time the bond or funds are accepted, the county committee shall furnish the owner or operator with a listing showing the name of each producer on the farm and his share in the farm marketing quota as determined under item (1), or as adjusted under item (4), of section 304, and each producer shall be notified by mail of the amount of his producer marketing quota. A similar listing shall be furnished to the owner or operator and a similar notice to each producer shall be given immediately after the producer marketing quotas are finally reapportioned under items (2) or (3) or under item (4) of section 304 of the regulations.

(i) **Farm operator's report.**¹²—If a bond of indemnity on Form 323 or funds to be held in escrow to secure the payment of the penalty were accepted for the farm, the farm operator shall, within 30 days after all cotton on the farm has been marketed or on March 1, 1940, whichever is the earlier, be requested to report to the county committee in the manner outlined in section 226 of these instructions the total amount of cotton marketed in connection with the farm by each producer. The total amount of cotton marketed shall be presumed to be not less than the sum of the following: (1) the amount of cotton produced on the farm in 1939 as shown on line 11 of column (33) and any amount of lint in seed cotton which has not been ginned, and (2) the amount of cotton on hand at the beginning of the marketing year as shown in columns (4), (5), (6), and (7). If the amount of the cotton marketed as reported by the farm operator is less than that amount, the figures of the farm operator shall **not** be accepted unless the farm operator accounts for the difference by establishing to the satisfaction of the county committee the amount of cotton which he has on hand at the time of the report, including cotton pledged as security for a Commodity Credit Corporation loan, or the amount of cotton destroyed by fire or otherwise, or the amount by which the weight of the cotton when marketed was less than the weight thereof as reported by the ginner. In case cotton has not been marketed, a

¹¹ See sec. 707(g) of the regulations and secs. 225(c), 225(f), 225(g), and 237 of these instructions.

¹² See sec. 804(b) of the regulations.

representative of the county office shall determine the amount of cotton on hand by actual inspection of the cotton or by an examination of warehouse receipts, or in the case of cotton pledged as security for a Commodity Credit Corporation loan, by examination of a copy of the producer's loan agreement. The representative of the county office shall make a memorandum showing the time of the inspection of the cotton or the examination of the warehouse receipts or the producer's loan agreement, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton in each bale or in estimating the amount of lint in seed cotton. If cotton was destroyed by fire or otherwise, the farm operator must make a written and signed statement of all facts in connection with the destruction which is verified by a written and signed statement of a disinterested person who has knowledge of the facts and the statements must be approved by the county committee. If the difference is accounted for by reason of the fact that the weight of the cotton when marketed was less than the weight when ginned, copies of the sales receipts issued by the buyer to the producer must be filed with the county office and approved by the county committee. If all of the cotton has not been marketed as of March 1, 1940, an *additional and separate* report shall be made as indicated above not later than 30 days after all of the cotton is marketed or August 1, 1940, whichever is the earlier.

(j) **Record on Form 317 of cotton marketed and unmarketed.**—When all cotton on the farm has been marketed or on August 1, 1940, if all cotton on the farm has not been marketed as of that date, the total amount of cotton marketed from the farm and the remaining unmarketed cotton shall be entered on Form 317 as follows:

1. On line (a) of column (75) enter the total amount of cotton marketed by or for each producer.

2. If there was no carry-over penalty cotton in connection with the farm or if the only carry-over penalty cotton was and still is pledged as security for a Commodity Credit Corporation loan, the record of the penalty incurred shall be completed as follows:

- a. On line (a) of column (65) enter the total amount of cotton marketed by or for each producer.

- b. On line (a) of column (76) opposite the name of each producer enter the result obtained by subtracting from the entry on line (a) of column (65) the amount shown opposite his name in column (47).¹³

- c. On line (b) of column (76) opposite the name of each producer enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.

3. If there was carry-over penalty cotton in connection with the farm that is not pledged as security for a Commodity Credit Corporation loan, that is, an entry appears in column (5) of Form 317, the record of the penalty incurred shall be computed as follows:

- a. On line (a) of column (76) opposite the name of each producer enter the result obtained by subtracting the entry in column (47) from the entry on line (a) of column (75).

¹³ See sec. 225 (g) 23 of these instructions.

- b. On line (a) of column (77) opposite the name of each producer for whom carry-over penalty cotton not pledged as security for a Commodity Credit Corporation loan is shown in column (5), enter the result obtained by subtracting the entry in column (47) from the entry in column (75), except that the entry in column (77) shall not exceed the entry in column (5).
- c. On line (a) in column (78) opposite each producer's name enter the result obtained by subtracting from the entry in column (75) the *sum* of the entries in columns (47) and (77).
- d. On line (b) of column (78) enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.
- e. On line (b) of column (77) enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.
- f. On line (b) of column (76) enter the sum of the entries on line (b) in columns (77) and (78).
- g. The sum of the entries in columns (76), (77), and (78) shall be entered on lines 11(a) and 11(b) thereof.
- h. The entry on line (a) of column (74) for each producer shall be the amount on line (a) in column (77).
- i. The entry on line (a) of column (65) for each producer shall be the result obtained by subtracting from the entry on line (a) of column (75) the amount on line (a) of column (77).
- j. The amount of unmarketed cotton shall be entered in columns (84) through (89) in the manner outlined in section 225 (s) of these instructions. If all of the cotton on the farm has not been marketed as of March 1, 1940, a memorandum of the facts as of that date shall be signed by the farm operator and filed in the folder for the farm. If, at the time of making the report on March 1, 1940, or at any subsequent date prior to August 1, 1940, the only unmarketed cotton is pledged as security for a Commodity Credit Corporation loan, the report of the farm operator shall be considered as final unless and until the cotton so pledged is withdrawn from the loan.

(k) **Payment of the penalties in the case of funds held in escrow.**¹⁴—The sum of the entries made in columns (51) through (63) of Form 317, as provided in section 225 (i) of these instructions, shall be entered in column (64) of Form 317 and the total thereof entered on line 11(a) and 11(b) of column (64). The sum of the entries made in columns (68) through (72) of Form 317, as provided in section 225 (m) of these instructions, shall be entered in column (73) of Form 317 and the total thereof entered on line 11(a) and 11(b) of column (73). The entries on lines 11(a) and 11(b) of columns (64) and (73) shall be compared with the entries on lines 11(a) and 11(b) of column (76). If the sum of the entries on line 11(b) in columns (64) and (73) is **less** than the entry in column (76), the owner or operator who deposited the funds to be held in escrow shall be requested to pay the deficiency.¹⁵ At the same time each producer shall be requested to pay the amount of the penalty incurred

¹⁴ See sec. 707(e) of the regulations.

¹⁵ See secs. 225(i) and 225(m) of these instructions.

by him until the amount of the deficiency has been paid to the treasurer of the county committee by one or more of the producers liable therefor. If the deficiency exists as of March 1, 1940, at the time a preliminary farm operator's report is made,¹⁶ or if at that time the funds held in escrow are insufficient to cover the amount of cotton which may be marketed subject to penalty, the owner or operator shall be requested to deposit the additional amount, and upon his failure or refusal to do so, the white marketing cards shall be canceled and red marketing cards for the balance of the unused producer marketing quotas or farm marketing quota and blue marketing cards for the amount of unmarketed carry-over penalty cotton issued in lieu thereof. If the sum of the entries on line (b) in columns (64) and (73) is **more** than the entry in column (76), a refund of the excess shall be authorized as hereinafter provided.

(1) **Payment of the penalty in the case of bonds.**—The amount of the penalty shown in column (76) of Form 317 shall be paid and recorded on Form 317 in the manner outlined in sections 225(j) and 225(n) of these instructions. The amount of the penalty incurred at the time the preliminary farm operator's report is made¹⁶ shall be paid at that time and upon the failure or refusal to pay the penalty the white marketing cards shall be canceled and red marketing cards for the balance of the unused producer marketing quotas or farm marketing quota and blue marketing cards for the amount of unmarketed carry-over penalty cotton issued in lieu thereof.

(m) **Transfers from the 1938-39 cotton special deposit trust account of funds to be held in escrow in the 1939-40 special deposit account.**—Where funds are transferred from the 1938-39 cotton special deposit trust account to the 1939-40 special deposit account as provided in item 27 of section 224 of these instructions to be held in escrow to secure the payment of the penalty estimated to be incurred during the 1939-40 marketing year, the treasurer of the county committee shall draw a check payable to the **Treasurer of the United States** against the 1938-39 cotton special deposit trust account in the amount to be so transferred. Funds shall not be so transferred unless the producer for whom the surplus funds are held in the 1938-39 cotton special deposit trust account is the owner or operator of the farm in 1939 for which the funds are to be held in escrow. The check shall be scheduled for deposit and transmitted to the State office on a separate Form 359 in the manner outlined in section 234(c) of these instructions, with the exception that the legend "1938—Escrow" shall be entered in column 1 thereof and the 1939 farm serial number of the farm in connection with which the funds are to be held shall be entered in column 2 thereof and a statement in full in connection with all the facts in connection with the transfer shall be attached thereto. The transaction shall be recorded on form 356 in the manner outlined in paragraph (c) of this section, with the exception that the legend "1938—Escrow" shall be entered in column (2) thereof. The record of the transfer shall be made on Form 317 in the manner outlined in section 225(i) and 225(m) of these instructions. The issuance of the check shall be recorded in part IV of Form 256 as follows:

¹⁶ See pars. (i) and (j) of this section.

1. In column (14) enter the date of the check drawn by the treasurer of the county committee payable to the order of the Treasurer of the United States.

2. In column (15) enter the number of such check.

3. Make no entry in column (16).

4. In column (17) enter the remittance schedule number of the form 359.

5. In column (18) enter the words "Treasurer of the United States, 1938—Escrow."

6. In column (19) enter the amount of the check drawn payable to the Treasurer of the United States.

(n) **Failure or refusal to remit the penalty incurred.**—Where the penalties incurred are not paid in cases where a bond of indemnity on Form 323 or funds to be held in escrow were accepted for a farm, the producer should be notified that the issuance of a white marketing card pursuant to section 502(b) of the regulations was upon the condition that the producer should nevertheless be subject to the penalty provided in section 348 of the act and that pursuant to section 372(b) of the act and section 707(e) of the regulations, the amount of the penalty is due and payable. If the producer who executed the bond of indemnity as principal does not remit the penalty promptly, the sureties under the bond of indemnity should be notified by registered mail (return receipt requested) that the producer has not paid the penalty incurred after being duly requested to do so and the sureties should be requested to remit forthwith to the treasurer of the county committee the amount of the penalty incurred. The producer and the sureties, if necessary, in each case should be advised that pursuant to sections 712 and 806 of the regulations the county committee is under a duty to report any case where the producer is actually in default in order that proceedings under section 376 of the act may be instituted specifically to enforce the provisions of the act. While the county committee is attempting to enforce the provisions of the act and regulations in the manner indicated above, no check for any payment under any program or law which may be or become due any producer or surety shall be delivered to him until the provisions of the act and regulations are satisfied. If the penalties are not remitted to the treasurer of the county committee, a report **in quintuplicate** should be prepared and the original and three copies thereof transmitted to the State office. The report should show the name and full mail address of the producer and each surety and a full description, in addition to the farm serial number, of the farm on which the cotton was produced; the date on which the cotton was marketed and the place at which the transaction occurred, if the county committee has knowledge of these facts; and the amount of the penalty incurred and the amount thereof which was or was not paid. In addition, the same number of copies of all correspondence from the county committee to the producer and sureties and replies thereto and any statements made by the producer and sureties should accompany the report.

SEC. 239. ISSUING WHITE MARKETING CARDS WHERE THE COUNTY COMMITTEE ESTIMATES THAT THE AMOUNT OF COTTON TO BE PRODUCED IN 1939 PLUS THE CARRY-OVER PENALTY COTTON WILL NOT EXCEED THE NORMAL PRODUCTION OF THE FARM ACREAGE ALLOTMENT.¹⁷

¹⁷ See sec. 501(d) of the regulations.

White marketing cards for an overplanted farm or a farm in connection with which one or more producers thereon have carry-over penalty cotton **may** be issued to the producers on such farms if the county committee estimates that the total amount of the production of the acreage planted to cotton in 1939 on the farm **plus** the amount of carry-over penalty cotton¹⁸ will **not** exceed the normal production of the farm acreage allotment. The estimate of the total production must be made after bolls are formed and a memorandum showing the time of the estimate, the method followed, and the total estimated production must be filed in the folder for the farm. A white marketing card should not be so issued unless (1) there is **no possibility** that the actual production of the planted acreage plus the carry-over penalty cotton will exceed the normal production of the farm acreage allotment, and (2) that the producers on the farm are of good character and reputation in the community and, in the opinion of the county committee, financially able to answer for the amount of any penalties which may be incurred. The issuance of a white marketing card under this provision does not alter the requirement that the producer marketing quotas be apportioned and reapportioned as provided in section 304 of the regulations. The record of cotton produced on the farm shall be recorded on Form 317 in the manner outlined in section 225(e) of these instructions. In all other respects, the records in connection with the marketing of cotton and the penalties paid or to be paid and the issuance of white marketing cards shall be made in accordance with the procedure set forth in section 238 of these instructions.

SEC. 240. FARMS PRODUCING 1,000 POUNDS OR LESS.

(a) **Penalties do not apply.**¹⁹—The penalty does not apply to cotton produced in 1939 on any farm on which the total production of lint cotton in 1939 does not exceed 1,000 pounds. The exemption from the penalty does not affect the amount of the farm marketing quota²⁰ and a red marketing card and a blue marketing card, if necessary, shall be issued to the producers on the farm under the conditions outlined in sections 228(a) and 229(a) of these instructions as in the case of other farms to which the conditions are applicable and Form 317 shall be prepared in respect thereto as provided in sections 225 and 226 of these instructions. If red marketing cards and, if necessary, blue marketing cards are issued for the farm and a penalty is paid in connection with cotton produced in 1939 and marketed in excess of the farm marketing quota, the amounts so paid shall be refunded as hereinafter provided. **However, the exemption from the penalty is not applicable to carry-over penalty cotton.** The amount of the penalty incurred with respect to a farm on which the total production in 1939 does not exceed 1,000 pounds shall be recorded on Form 317 as follows:

1. Make no entry in column (78).
2. On line (a) of column (77) enter the amount of carry-over penalty cotton marketed subject to penalty, i. e., the amount thereof which, together with the 1939 production, was marketed in excess of the farm marketing quota.

¹⁸ See sec. 225(d) of these instructions.

¹⁹ See sec. 702 of the regulations.

²⁰ See sec. 301 of the regulations.

3. On line (b) of column (77) enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.

4. Columns (79) through (83) shall be completed as outlined in section 225(r) of these instructions.

5. Columns (84) through (89) shall be completed as outlined in section 225(s) of these instructions.

(b) **Issuing white marketing cards for farms producing not more than 1,000 pounds.**²¹—White marketing cards for overplanted farms may be issued to the producers thereon if the county committee estimates that the total production of the acreage planted to cotton in 1939 on the farm will not exceed the normal production of the acreage allotment or if it is found by the county committee that the total production in 1939 on the farm has not exceeded 1,000 pounds. No white marketing card shall be issued under these circumstances for a farm in connection with which one or more producers have carry-over penalty cotton. The estimate of the total production must be made after bolls are formed and a memorandum showing the time of the estimate, the method followed, and the estimated total production must be filed in the folder for the farm. A white marketing card should not be issued if there is a possibility that the actual production of the acreage planted to cotton will exceed 1,000 pounds of lint cotton. If a white marketing card is to be issued under this provision and any Forms 312 and 313 or Forms 314 and 315, theretofore, issued have been canceled, the county committee shall then issue Form 311 to the producers on the farm in accordance with section 219 of these instructions, except that:

1. A separate listing on Form 310-A shall be prepared.

2. The words "One thousand pounds" shall be stamped across the face of Form 311.

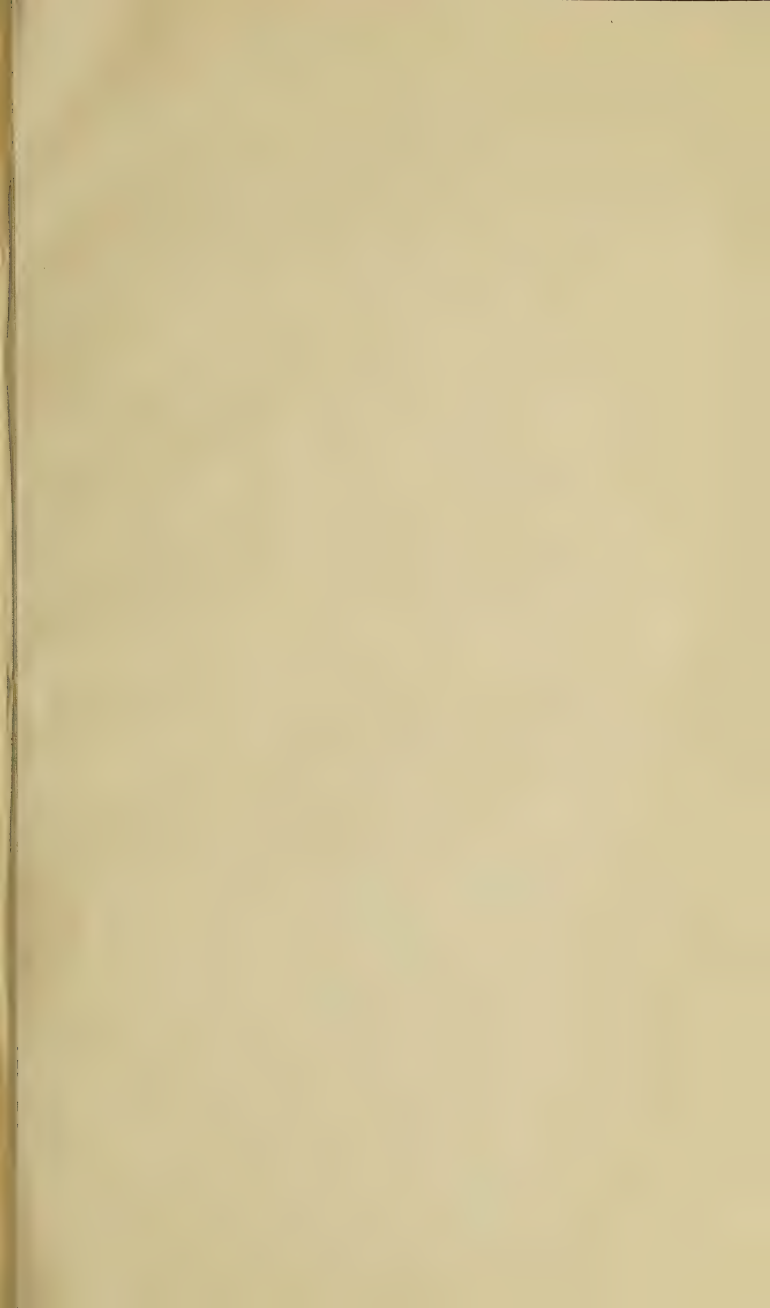
3. The words "One thousand pounds" shall be entered above the title of Form 310-A.

(c) **Record of cotton marketed and penalties paid where white marketing cards were issued pursuant to section 501(c) of the regulations.**—The record of cotton produced on the farm shall be recorded on Form 317 in the manner outlined in section 225(e) of these instructions and a record of the cotton marketed and the farm operator's report shall be made as outlined in section 238 of these instructions.

(d) **Failure to pay the penalty where a white marketing card was issued to a producer with respect to a farm on which it was estimated by the county committee that the total production would not exceed 1,000 pounds of lint cotton.**—If the reports of cotton produced on the farm as shown by Forms 316 and 326 indicate that the production on the farm exceeded 1,000 pounds, the white marketing cards previously issued to the producer shall be canceled and red marketing cards for the amount of the unused producer marketing quotas or the farm marketing quota shall be issued in lieu thereof, and the producer shall be requested to remit the penalty incurred with respect to the marketing of cotton in excess of the farm marketing quota. If the penalty is not remitted, a demand therefor should be made in writing and forwarded, together with a copy of the regula-

²¹ See sec. 501(c) of the regulations.

tions, by registered mail (return receipt requested) to the producer. The letter from the county committee should explain to the producer that the exemption provided in section 346(b) of the act is not applicable if the production of the acreage planted to cotton on the farm in 1939 is in excess of 1,000 pounds and that pursuant to section 501(c) of the regulations the white marketing card was issued upon the condition that the producer should nevertheless be subject to the penalty provided in section 348 of the act if the total production on the farm in 1939 exceeded 1,000 pounds of lint cotton. The letter should also state the amount of lint cotton reported to have been produced in 1939 on the farm, the reported actual average yield per acre of lint cotton on the farm in 1939, the normal yield per acre of lint cotton established for the farm in 1939, the amount of his farm marketing quota (the actual or normal yield per acre, whichever is the greater, times the cotton acreage allotment, plus any carry-over penalty-free cotton), and the amount of the penalty incurred determined at the rate of 3 cents per pound times the amount of cotton marketed in excess of the farm marketing quota. The producer should be advised that, pursuant to sections 712 and 606 of the regulations, the county committee is under a duty to report any case where the producer is actually in default in order that proceedings under section 376 of the act may be instituted specifically to enforce the provisions of the act. No check for any payment under any program or law which may be or become due to the producer shall be delivered to him until the provisions of the act and the regulations are satisfied. If the penalties are not remitted to the treasurer of the county committee, a report, **in quintuplicate**, should be prepared and the original and three copies thereof transmitted to the State office. The report should show the name and full mail address of the producer and a full and particular description (in addition to the farm serial number) of the farm on which the cotton was produced; the date on which the cotton was marketed and the place at which the transaction occurred, if the county committee has knowledge of these facts; the amount of penalty incurred and the amount thereof which was or was not paid. In addition, the same number of copies of all correspondence from the county committee to the producer and replies thereto and any statements made by the producer should accompany the report.





UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1939
PART II. COUNTY OFFICE RECORDS AND REPORTS

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G. Refunds and Transfers of Funds.

Section 241. Conditions under which refunds may be made, determinations of refunds and preparation of county office records and reports.

(a) Conditions under which refunds may be made to producers.
No refund of money received in connection with the marketing of cotton on any farm shall be made under this section unless and until the following conditions have been met:

1. The farm marketing quota for the farm has been finally determined and finally apportioned or reapportioned among the producers thereon.

2. The money collected has been remitted to the treasurer of the county committee and transmitted by him through the State office for deposit in the Special Deposit Account and has not been transferred out of the Special Deposit Account into the general fund of the Treasury of the United States.

3. The farm operator's final report on Cotton 317 has been made as provided in section 226 of these instructions.

4. The interest of every person on the farm in the money received in connection with marketing cotton is determined.

5. The total amount of money received is in excess of the sum of the penalties incurred by the producers on the farm in connection with the marketing of cotton in excess of their respective shares of the farm marketing quota.

6. The county committee has examined and approved the records with respect to the farm as being correct.

7. The auditor has examined and approved the records with respect to the farm as being correct.

(b) Determination of refunds in connection with penalties paid.
Each producer on the farm shall be entitled to a refund of the amount computed for him and entered in column (82) of Form Cotton 317 for the farm as provided in section 225(r) of these instructions, provided that the conditions set forth in the preceding subsection of

this section 241 have been met and the county committee is satisfied that such producer bore the burden of the payment of such amount and has not been reimbursed therefor by any other person. 1/

(c) Determination of refunds in connection with funds in escrow. Refunds to producers on any farm of funds deposited in escrow which are in excess of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota shall be made to the person(s) who deposited such funds with the treasurer of the county committee. No refund shall be made under this subsection until (i) the conditions set forth in subsection (a) of this section 241 have been met and (ii) either all cotton (including all cotton produced on the farm in 1939 and all carry-over penalty cotton designated to be marketed in connection with the farm) has been marketed or, if it has not been marketed, it has been determined that no penalties will become due with respect to the marketing of such cotton. The amount to be refunded shall be the amount by which the sum of the entries in line 11(b) of columns (64) and (73) exceeds the entry in line 11(b) of column (76) of form Cotton 317. 2/ This amount is to be entered in line (b) of column (82) opposite the name of the person who deposited the funds in escrow.

(d) Determination of refunds to persons other than producers. If after the audit of forms 313-b, 315-b, and reports of marketing of unidentified cotton (section 532 of Cotton 308 - Part V) it appears that the remittances received from a particular buyer were in excess of the penalties incurred, the county committee shall ascertain the reasons for the excess with a view to determining whether the excess represents: (1) penalties incurred by producers and which the buyer collected or was under a duty to collect or (2) the buyer's personal funds which were remitted through error. If it is determined that the excess represents penalties collected by the buyer or which the buyer was under duty to collect from producers or other persons from whom the buyer purchased cotton, the amount thereof found to represent penalties shall be credited to the farm on which the cotton in connection with which the penalty was incurred was produced. If it is determined that the excess or part thereof represents the buyer's personal funds which were remitted through error, a refund of such amount may be made to the buyer. No refund shall be made to the buyer until the auditor has examined and approved the county office records pertaining to such buyer.

(e) Preparation of Standard Form No. 1047, "Public Voucher for Refunds" and form Cotton 325, "Public Voucher for Refunds - Cotton Marketing Quotas - Continuation Sheet." Amounts of refunds to be made to producers on a farm shall be vouchered on Standard Form No. 1047, "Public Voucher for Refunds," and Standard Form No. 1048, "Public Voucher for Refunds - Memorandum," which have been

1/ See Secs. 225(h) 10, 225(1) 8, and 233(e) of these instructions and also 708(b) of the Regulations.

2/ See Secs. 238(j) and 238(k).

overprinted for this purpose, as follows:

1. The original will be Standard Form No. 1047 and the six copies required will be Standard Form No. 1048.
2. Enter in the space provided the serial number which shall be the State and county code number followed by the symbol "MQ '39" and the number next succeeding the last number assigned to a Standard Form No. 1047, thus: 63-001-MQ '39-1. (Serial numbers shall begin with 1 for the first voucher and continue thereafter in numerical sequence without regard to fiscal years.)
3. The "D. O. Voucher No." will be left blank as it will be filled in by the Disbursing Office.
4. Enter the farm serial number after the words "Farm Serial No." and enter "1939-40" after the words "Marketing Year."
5. Enter the name of the State in the blank space in the expression "Department of Agriculture, AAA, _____ State Office."
6. Enter the name of the city and State in which the State office is located after the word "Location."
7. Enter the name of the payee (the person to whom the refund is to be made) after the word "To." This will be obtained from column (48) of form 317 and will be the name of the producer for whom an entry appears in column (82). If more than one person on the farm is to receive a refund, enter the name of the first payee followed by the words "et al. See Cotton 325 attached."
8. Enter the address of the payee after the word "Address."
9. Enter the total amount which has been remitted for the farm to the State Committee after the words "Amount of deposit _____ \$." This amount will be obtained from line 11(b), column (75) of form 317 for the farm except that if funds were deposited in escrow this amount will be the sum of the entries on line 11(b) of columns (64) and (73) of form 317.
10. Enter the total amount of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota after the words "Applied as explained in 'Remarks' below." This amount will be obtained from line 11(b) of column (76) of form 317 for the farm.

11. Make no entry following the words "Standard Form No. 1046 - Revised, No." as this will be filled in by the Washington office.

12. Enter the total amount authorized to be refunded to producer(s) on the farm after the words "Balance authorized to be refunded \$." This amount will be obtained from line 11(b) of column (82) of form 317 for the farm and will be the amount by which the entry made under item 9 above exceeds the entry made under item 10 above.

13. Underneath the word "Schedule" enter the schedule number of each Standard Form No. 1044 - Revised, on which remittances for the farm were scheduled for deposit to the special deposit account and underneath the word "Period" enter the corresponding period for such Standard Form 1044 - Revised, and underneath the word "Amount" enter the amount scheduled for the farm on such Standard Form No. 1044 - Revised. Where the farm is credited with amounts shown on several forms 319, which are scheduled on the same Standard Form No. 1044 - Revised, itemize the amount shown on the Standard Form No. 1044 - Revised, to reflect the amount for the farm on each form 319, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
Cotton 50	Sept. 1939	\$18.00
		12.00
Cotton 57	Oct. 1939	6.00

If additional space is needed use separate sheets and attach securely to Standard Form No. 1047. This information will be obtained from the copies of forms 359 returned to the county office by the State office and from forms 319. (Note: To obtain this information will entail tracing each serial number of form 319, 319-A, and each reference to a transfer from the 1938-39 cotton special deposit trust account entered in columns (50) through (62) and (67) through (73) of form 317 to the related form 359. The sum of the entries under the word "Amount" must equal the entry made under item 9 above.)

14. Enter in the spaces provided the first and last sheet numbers of the continuation sheets (form Cotton 325), if any.

15. Make no entry in the spaces provided for the date, signature, and title, as this will be executed in the Washington office.

16. Make no entries in the spaces provided for the description of the check to be drawn on the Treasurer of the United States in payment of the refund.

17. If there is more than one person on the farm and one or more of them entitled to a refund, form 325 shall be

used for listing all the persons shown in column (48) of Cotton 317 and shall be executed in septuple (original and six copies) and attached to Standard Form No. 1047 and Standard Forms No. 1048 executed as above. Form 325 shall be executed as follows:

a Enter the name of the State and county and farm serial number in the spaces provided.

b Enter the administrative number in the space provided which shall be the same as the serial number of Standard Form No. 1047 entered under item 2 above.

c Enter the continuation sheet number followed by the number of sheets in the spaces provided.

d Enter in column (1) the names of the payees (all producers on the farm to whom refunds will be made). This will be obtained from column (48) of form 317 and will be the names of the producers for whom entries appear in column (82). Also enter in column (1) the names of other producers whose names are shown in column (48) of Cotton 317 but who are not entitled to refunds and for which there are no entries in column (82).

e Enter immediately to the right of the name of each person the address of such person.

f Enter in column (2) for each payee the total amount received for him. This amount will be obtained from line (b) of column (75) opposite the person's name on form 317. (In the case of escrow, the entries on line (b) in columns (64) and (73) of Cotton 317 will be entered on line (b) of column (75). The total of the entries on line (b) of column (75) will be entered on line 11(b) of column (75).) In the case of escrow, enter zero in column 2 for all producers shown in column (48) of Cotton 317 who are not due refunds.

g Enter in column (3) for each payee the total amount to be refunded to him. This amount will be obtained from line (b) of column (82) opposite the payee's name on form 317. Enter zero in column 3 opposite the name of each person not entitled to a refund.

h Make no entry in column (4).

i Enter the total of columns (2) and (3) in the spaces provided. The total of column (3) must equal the amount on line 11(b) of column (82) of form 317, and also the amount shown on Standard Form No. 1047 opposite the words "Balance authorized to be refunded."

The total of column (2) must equal the amount shown on Standard Form No. 1047 opposite the words "Amount of Deposit", and must also equal the amount shown on line 11(b) of column (75) of Cotton 317.

j Make no entry in the space provided for signature of the person checking the form.

18. If the person to whom a refund is to be made is other than a producer (cotton buyer or transferee) in accordance with subsection (d) of this section 241, Standard Form No. 1047 (one copy) and Standard Forms No. 1048 (six copies) which have not been printed over shall be prepared as follows:

a Enter in the space provided the serial number which shall be the number next succeeding the last number assigned under item 2 above.

b Make no entry in the space provided for "D.O. Voucher No." as this will be filled in by the Disbursing Office.

c Insert the words "Cotton Buyer, Marketing Year 1939-40" underneath the space provided for the D. O. Voucher number.

d Enter the words "Department of Agriculture, AAA, _____ State Office" (inserting the name of the State) after the letters "U. S."

e Enter the name of the city and State in which the State office is located after the word "Location."

f Enter after the words "Appropriation or fund" the following: "Special Deposits, OS.37-66.2-200-Suspense, Collection, AAA, Marketing Quotas."

g Enter the name of the payee (the buyer to whom the refund is to be made) after the word "To."

h Enter the address of the payee after the word "Address."

i Enter after the words "Deposit received from the above-named depositor on" the words "Sch. of Col." followed by the serial number and period of the Standard Form No. 1044, Revised, thus:

"Sch. of Col. Cotton-25, Sept. 1939." (Note: This will entail tracing the form 319 on which the personal funds of the buyer were shown as "Suspense" to the form 359 returned by the State office with the schedule number and period of the Standard Form No. 1044, Revised, shown thereon.)

j Enter the words "Marketing Quotas for cotton for the marketing year 1939-40" after the word "For."

k Enter after the words "Amount of deposit _____ \$" that part of the amount shown on the Standard Form No. 1044; Revised, as "Suspense" which represents the personal funds of the person to whom the refund is to be made and which was in excess of the penalties which were or should have been collected.

l Make no entry after the words "Applied as explained in 'Remarks' below."

m Enter after the words "Balance authorized to be refunded _____ \$" the amount to be refunded, which will equal the amount shown after the words "Amount of deposit _____ \$."

n Enter in the space provided for "Remarks" an explanation of why the refund is due, for example: "Amount to be refunded was remitted by the payee through error and does not represent cotton marketing quota penalties collected from cotton producers nor was the payee obligated to collect or remit such amount to the United States."

o Make no entry in the spaces provided for the date, signature, and title or in the spaces below the double line.

19. Enter in the lower left corner of two copies of Standard Form No. 1048, "Public Voucher for Refunds - Memorandum" the following:

"Approved _____, 19____.

Agricultural Conservation Committee of

_____ County, _____ State.

By _____, Committeeman."

A member of the committee shall sign each of such two copies and enter the date of his approval and the name of the county and State.

20. Standard Form No. 1047 and five copies of the related Standard Form No. 1048 (one of which shall bear the notation and signature of a member of the county committee as provided in item 19) and the original and five copies of each related form Cotton 325 shall be forwarded to the State office. One copy of Standard Form No. 1048 bearing the notation and signature of a member of the county committee as provided in item 19 of this paragraph and one copy of each related form 325 shall be retained in the county office in a pending file. The copy returned at the time the check(s) are drawn shall be

filed in numerical order according to serial numbers. At that time the copy of the Standard Form No. 1048 and Cotton 525 retained in the pending file shall be filed in the farm folder. Section 242. Transfer of funds from the special deposit account to the General Fund of the Treasury

(a) Collections and remittances of funds which are in excess of penalties incurred. Where the total collections and remittances of money for any farm are in excess of penalties incurred in connection with the marketing of cotton on the farm, so much of such money as represents penalties incurred shall be transferred from the special deposit account to the credit of account 123450, Penalties, Cotton Marketing quotas, Agricultural Adjustment Act of 1938, (hereinafter referred to as penalties account) at such time as refunds are vouchered to producers on the farm as provided in section 241 of these instructions. In such cases the submission of Standard Form No. 1047 will be sufficient authority for the Washington office to prepare Standard Form No. 1046, Revised, "Schedule of Transfers - Special Deposits" and take the necessary steps to transfer to the penalties account so much of the money received for the farm which represent penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota. This amount will be the amount entered on Standard Form No. 1047 in accordance with section 241 (a), item 10 of these instructions. In such cases it will not be necessary to execute form 358 for the farm.

(b) Collections and remittances of funds which are not in excess of penalties incurred. Where the total collections and remittances of money for any farm are not in excess of penalties incurred in connection with the marketing of cotton on the farm, the State Committee shall be advised by the county on form Cotton 358 to cause transfer of such money to the penalties account. The State Committee shall be so advised as soon as possible after (i) a final farm operator's report has been made on form Cotton 317 as provided in section 226 of these instructions and (ii) the form Cotton 317 has been approved by the county committee and the auditor. Form Cotton 358 shall be executed as follows:

1. Enter in the space provided the schedule number, which shall be "1" for the first form Cotton 358 and continue thereafter in numerical sequence for each additional form Cotton 358 prepared in the county. The number shall be preceded by the letter "P" such as "P - 1".

2. Enter in the space provided the State and county code number.

3. Enter in the space provided the farm serial number.

4. Enter in the space provided for marketing year the numbers "1939-40."

5. In Part III enter in either columns (1) or (4) the schedule number of each Standard Form No. 1044, Revised, on which money received for the farm was scheduled for deposit to the special deposit account, and in columns (2) or (5) the period of each such schedule and in columns (3) or (6) the amount of money scheduled for the farm on each such schedule. Where the farm is credited with amounts shown on several forms 319, which are scheduled on the same Standard Form No. 1044, Revised, itemize the amount shown on the Standard Form No. 1044, Revised, to reflect the amount for the farm on each form 319, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
Cotton 51	Sept. 1939	\$24.00
		15.00
Cotton 58	Oct. 1939	9.00

This information will be obtained from the copies of forms 359 returned by the State office and from forms 319. (Note: To obtain this information will entail tracing each form 319, 319-A, and a reference to a transfer from the 1938-39 cotton special deposit trust account, shown in columns (50) through (62) and (67) through (71) of form 317 for the farm to the related form 359.)

6. Enter in the space for the total amount of deposit the sum of the entries in columns (3) and (6). This amount must agree with the amount shown in line 11 (b) of column (75) of form Cotton 317 for the farm. (In case a bond was executed, the entries on line (b) in columns (51) through (63) of Cotton 317 will be totaled and entered on line (b) in column (64). The entries on line (b) of columns (68) through (72) will be totaled and entered on line (b) of column (73). The totals of line (b), columns (64) and (73), respectively, will be entered on line 11(b) of such columns. The sum of the entries on line (b) of columns (64) and (73) will be entered on line (b) of column (75). The totals of the entries on line (b) of column (75) will be entered on line 11(b) of column (75).

7. Part I of form Cotton 358 shall be signed by a member of the county committee and by the treasurer of the county committee and the date of each signature entered in the space provided therefor.

8. The original and salmon copy of form 358 shall be forwarded to the State Committee and the green copy placed in a pending file. The original copy with Part II executed in the Washington office will be returned to the State office, which when received shall be filed in the State office in numerical order according to schedule number. The State office will advise the county office by letter of the number

of Standard Forms No. 1046, Revised, to enter on the green copy, and at this time the green copy shall be placed in the farm folder in the county office.

9. Where Cotton 358 is executed, a separate sheet of paper will be executed in triplicate, showing for each person (1) name, (2) address, and (3) amount paid by him. One copy will be stapled securely to each copy of Cotton 358.

Section 243. Additional refunds and transfers.

(a) Records of cotton marketed subsequent to the time refunds or transfers are made. If cotton is marketed from any farm (other than a farm for which funds have been deposited in escrow) subsequent to the time refunds or transfers have been made, but prior to August 1, 1940 the words "See supplement" shall be entered on the form 317 and a new form 317 for the farm shall be prepared as follows:

1. Transcribe the entries for each producer in column (65) of the original form 317 to column (51) of the new form 317 and enter in column (50) of the new form 317 the notation "Balances brought forward from previous farm operator's report."

2. Transcribe the entries for each producer in column (74) of the original form 317 to column (68) of the new form 317 and enter in column (67) of the new form 317 the notation "Balances brought forward from previous farm operator's report."

3. Marketings of cotton subsequent to the time refunds or transfers were first made shall be recorded in the regular manner in columns (52) through (63) and (69) through (72) of the new form 317.

4. Columns (64), (65), (73), (74), and (75) through (89) of the new form 317 shall be executed in the same manner as if no previous refunds or transfers had been made.

(b) Additional refunds. If additional refunds are found to be due, because additional collections exceed the amount of additional penalties incurred, and the conditions set forth in section 241(a) have been met, Standard Form No. 1047 and related forms shall be prepared to reflect (i) the amount collected for the farm subsequent to the time the first Standard Form No. 1047 was approved (total collections for the farm as shown in line 11(b) of column (75) of the new form 317 less the sum of the amounts shown in line 11(b) of columns (51) and (68) of the new form Cotton 317), (ii) the amount to be transferred to the credit of the penalties account subsequent to the time the first Standard Form No. 1047 was approved (the amount shown on line 11 (b) of column (76) of the new form 317 less the amount shown on line 11(b) of column (76) of the original form 317), and (iii) the amount to be refunded to producers since the first Standard Form 1047 was approved (the amounts shown in lines (b) of column (82) of the new form 317 less the amounts shown in lines (b)

of column (82) of the original form Cotton 317). If additional refunds are to be made to more than one producer, form 325 will be used and the amount to be shown for each producer in column (2) will be the amount shown opposite his name in column (75) of the new form 317 less the amount shown on the same line and column of the original form 317. The amount to be refunded and entered in column (3) for each producer will be the amount shown opposite his name on line (b) of column (82) of the new form 317 less the amount shown on the same line of the original form 317.

(c) Additional transfers. If no refunds are to be made, the additional amount collected (the sum of the amounts shown in columns (53) through (63) and (69) through (72) of the new form 317) shall be scheduled for transfer to the penalties account on form 358 in the manner explained in section 242(b) of these instructions.

(Comment: The provisions of this section 243 apply in cases where producers on the farm had penalty cotton under the loan on March 1, 1940, and the farm operator's report submitted on such date was not considered final because such cotton was removed from the loan and sold prior to August 1, 1940. However, if the county office knew the cotton would be so removed and sold prior to August 1, 1940, it would withhold action so as to make but one refund transaction.)

Section 244. Records of refunds and transfers.

(a) Records of refunds to producers. A record of each Standard Form No. 1047 shall be made as follows:

1. Form Cotton 317.

a Enter on line (b) of column (83) opposite the name of each producer whose name appears on the Standard Form No. 1047 or related form 325 the serial number assigned to such Standard Form No. 1047, and enter on line (a) of column (83) opposite the name of each such producer the date Standard Form No. 1047 was certified by a committeeman.

2. Form Cotton 356.

a Funds in escrow.

(1) Enter in column (6) the date Standard Form No. 1047 is certified by a county committeeman.

(2) Enter in column (7) the serial number of the form 319 issued to the person depositing the funds in escrow followed by a dash and page number of the form Cotton 356 on which the form Cotton 319 is shown in column (2). Each deposit of funds to be held in escrow which is represented by separate forms 319 shall be entered on separate consecutive lines.

(3) Enter in column (8) the farm serial number as shown on form 319.

(4) Enter in column (9) the amount for the farm on form 319

(5) Enter in column (10) the date Standard Form No. 1047 is certified by a county committeeman.

(6) Enter in column (11) the serial number of form 319 as in item (2) above.

(7) Make no entry in column (12).

(8) Enter in column (13) the farm serial number.

(9) Enter in column (14) the amount shown for the farm on form 319.

(10) Enter in column (15) the transmittal number of the form 359 on which the funds in escrow were scheduled for deposit.

(11) Enter in column (16) the date Standard Form No. 1047 is certified by a county committeeman.

(12) Enter in column (17) the farm serial number.

(13) Make no entry in column (18).

(14) Enter in column (19) the serial number of Standard Form No. 1047.

(15) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related form 325. The first payee shall be entered on the line opposite the serial number of the Standard Form No. 1047. (The names of producers not entitled to refunds will also be entered in column (20).

(16) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below" enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(17) If there is only one payee enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded _____ \$," appearing on Standard Form No. 1047. If there are several payees enter in column (21) the amount for each such payee shown on the related form 325. (Zero will be entered in column (21) opposite the name of each person not entitled to a refund).

(18) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

b Collections not held in escrow.

(1) Enter in column (16) the date Standard Form No. 1047 is certified by a county committeeman.

(2) Enter in column (17) the farm serial number.

(3) Make no entry in column (18).

(4) Enter in column (19) the serial number of Standard Form No. 1047.

(5) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related form 325. The first payee shall be entered on the line opposite the serial number of the Standard Form No. 1047. (Also enter the names of producers in column (20) who are not entitled to refunds).

(6) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below," enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(7) If there is only one payee enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded _____ \$" appearing on Standard Form No. 1047. If there are several payees enter in column (21) the amount for each such payee shown on the related form 325. (Enter zero in column (21) opposite the name of each person not entitled to a refund).

(8) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

(b) Records of refunds to persons other than producers. A record of each Standard Form No. 1047 prepared for refunds to persons other than producers (buyers) shall be made on form 356 as follows:

a Enter in column (16) the date Standard Form No. 1047 was approved by the county committeeman signing the copies of Standard Form No. 1048.

b Enter in column (17) the notation "Buyer."

c. Make no entry in column (18).

d. Enter in column (19) the serial number of Standard Form No. 1047.

e. Enter in column (20) the name of the person to whom the refund is to be made.

f. Enter in column (21) the amount shown on Standard Form No. 1047 following the words "Balance authorized to be refunded."

(c) Records of transfers. A record of each form 358 shall be made as follows:

1. Form Cotton 317.

a. Enter underneath the entry on line 11 (b) of column (75) of form 317 the schedule number of form 358.

2. Form Cotton 356.

a. Funds in escrow.

(1) If a form 358 is prepared for a farm for which funds in escrow have been deposited, form 358 shall be recorded on form 356 in the same manner as set forth in subsection (a)2a of this section 244 except,

(i) the date to be entered in the appropriate columns will be the date form 358 is certified by a county committeeman;

(ii) the entry to be made in column (18) will be the schedule number of form 358 and no entry will be made in column (19);

(iii) only one entry will be made in column (20) which shall be the words "Penalties Account";

(iv) only one entry will be made in column (21) which shall be the total amount of form 358.

b. Collections not held in escrow.

(1) Enter in column (16) the date form 358 is certified by a county committeeman.

(2) Enter in column (17) the farm serial number.

(3) Enter in column (18) the schedule number of form Cotton 358.

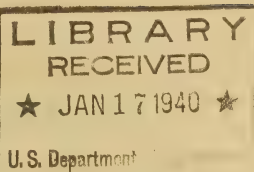
(4) Make no entry in column (19).

(5) Enter in column (20) the words "Penalties Account."

(6) Enter in column (21) the total amount of form 358.

Issued January 4, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration



INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1939

PART II. COUNTY OFFICE RECORDS AND REPORTS

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G. Refunds and Transfers of Funds.

Section 241. Conditions under which refunds may be made, determinations of refunds and preparation of county office records and reports.

(a) Conditions under which refunds may be made to producers.
No refund of money received in connection with the marketing of cotton on any farm shall be made under this section unless and until the following conditions have been met:

1. The farm marketing quota for the farm has been finally determined and finally apportioned or reapportioned among the producers thereon.

2. The money collected has been remitted to the treasurer of the county committee and transmitted by him to the Secretary of the State Committee for deposit in the Special Deposit Account and has not been transferred out of the Special Deposit Account into the general fund of the Treasury of the United States.

3. The farm operator's final report has been made as provided in section 226 of these instructions.

4. The interest of every person on the farm in the money received in connection with marketing cotton is determined.

5. The total amount of money received is in excess of the sum of the penalties incurred by the producers on the farm in connection with the marketing of cotton in excess of their respective shares of the farm marketing quota.

6. The county committee has examined and approved the records with respect to the farm as being correct.

7. The auditor has examined and approved the records with respect to the farm as being correct.

(b) Determination of refunds in connection with penalties paid. Each producer on the farm shall be entitled to a refund of the amount computed for him and entered in column (82) of Form Cotton 317 for the farm as provided in section 225(r) of these instructions, provided that the conditions set forth in the preceding subsection of this section 241 have been met and the county committee is satisfied that such producer bore the burden of the payment of such amount and has not been reimbursed therefor by any other person. 1/

1/ See Secs. 225(h) 10, 225(l) 8, and 233(e) of these instructions and also 708(b) of the Regulations.

(c) Determination of refunds in connection with funds in escrow. Refunds to producers on any farm of funds deposited in escrow which are in excess of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota shall be made to the person(s) who deposited such funds with the treasurer of the county committee. No refund shall be made under this subsection until (i) the conditions set forth in subsection (a) of this section 241 have been met and (ii) either all cotton (including all cotton produced on the farm in 1939 and all carry-over penalty cotton designated to be marketed in connection with the farm) has been marketed or, if it has not been marketed, it has been determined that no penalties will become due with respect to the marketing of such cotton. The amount to be refunded shall be the amount by which the sum of the entries in line 11(b) of columns (64) and (73) exceeds the entry in line 11(b) of column (76) of form Cotton 317.2/ This amount is to be entered in line (b) of column (82) opposite the name of the person who deposited the funds in escrow.

(d) Determination of refunds to persons other than producers. If after the audit of forms 313-b, 315-b, and reports of marketing of unidentified cotton (section 532 of Cotton 308 - Part V) it appears that the remittances received from a particular buyer were in excess of the penalties incurred, the county committee shall ascertain the reasons for the excess with a view to determining whether the excess represents (1) penalties incurred by producers and which the buyer collected or was under a duty to collect or (2) the buyers' personal funds which were remitted through error. If it is determined that the excess represents penalties collected by the buyer or which the buyer was under duty to collect from producers or other persons from whom the buyer purchased cotton, the amount thereof found to represent penalties shall be credited to the farm on which the cotton in connection with which the penalty was incurred was produced. If it is determined that the excess or part thereof represents the buyer's personal funds which were remitted through error, a refund of such amount may be made to the buyer. No refund shall be made to the buyer until the auditor has examined and approved the county office records pertaining to such buyer.

(e) Preparation of Standard Form No. 1047, "Public Voucher for Refunds" and form Cotton 325, "Public Voucher for Refunds - Cotton Marketing Quotas - Continuation Sheet." Amounts of refunds to be made to producers on a farm shall be vouchered on Standard Form No. 1047, "Public Voucher for Refunds," and Standard Form No. 1048, "Public Voucher for Refunds - Memorandum," which have been overprinted for this purpose, as follows:

1. The original will be Standard Form No. 1047 and the four copies required will be Standard Form No. 1048.

2. Enter in the space provided the serial number which shall be the State and county code number

2/ See Secs. 238(j) and 238(k).

followed by the symbol "MQ '39" and the number next succeeding the last number assigned to a Standard Form No. 1047, thus: 74-001-MQ '39-1. (Serial numbers shall begin with 1 for the first voucher and continue thereafter in numerical sequence without regard to fiscal years.)

3. The "D. O. Voucher No." will be left blank as it will be filled in by the Disbursing Office.

4. Enter the farm serial number after the words "Farm Serial No." and enter "1939-40" after the words "Marketing Year."

5. Enter the name of the State in the blank space in the expression "Department of Agriculture, AAA, _____ State Office."

6. Enter the name of the city and State in which the State office is located after the word "Location."

7. Enter the name of the payee (the person to whom the refund is to be made) after the word "To." This will be obtained from column (48) of form 317 and will be the name of the producer for whom an entry appears in column (82). If more than one person on the farm is to receive a refund, enter the name of the first payee followed by the words "et al."

8. Enter the address of the payee after the word "Address."

9. Enter the total amount remitted for the farm to the Secretary of the State Committee after the words "Amount of deposit _____ \$." This amount will be obtained from line 11(b), column (75) of form 317 for the farm except that if funds were deposited in escrow this amount will be the sum of the entries on line 11(b) of columns (64) and (73) of form 317.

10. Enter the total amount of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota after the words "Applied as explained in 'Remarks' below." This amount will be obtained from line 11(b) of column (73) of form 317 for the farm.

11. Make no entry following the words "Standard Form No. 1046 - Revised, No." as this will be filled in by the State office.

12. Enter the total amount authorized to be refunded to producer(s) on the farm after the words "Balance authorized to be refunded \$." This amount will be obtained from line 11(b) of column (82) of form 317 for the farm and will be the amount by which the entry made under item 9 above exceeds the entry made under item 10 above.

13. Underneath the word "Schedule" enter the schedule number of each Standard Form No. 1044 - Revised, on which remittances for the farm were scheduled for deposit to the special deposit account and underneath the word "Period" enter the corresponding period for such Standard Form 1044 - Revised, and underneath the word "Amount" enter the amount scheduled for the farm on such Standard Form No. 1044 - Revised. Where the farm is credited with amounts shown on several forms 319, which are scheduled on the same Standard Form No. 1044 - Revised, itemize the amount shown on the Standard Form No. 1044 - Revised, to reflect the amount for the farm on each form 319, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
Cotton 50	Sept. 1939	\$18.00
		12.00
Cotton 57	Oct. 1939	6.00

If additional space is needed use separate sheets and attach securely to Standard Form No. 1047. This information will be obtained from the copies of forms 359 returned to the county office by the State office and forms 319. (Note: To obtain this information will entail tracing each serial number of form 319, 319-A, and each reference to a transfer from the 1938-39 cotton special deposit trust account entered in columns (50) through (62) and (67) through (73) of form 317 to the related form 359. The sum of the entries under the word "Amount" must equal the entry made under item 9 above.)

14. Enter in the spaces provided the first and last sheet numbers of the continuation sheets (form Cotton 325), if any.

15. Make no entry in the spaces provided for the date, signature, and title, as this will be executed in the State office.

16. Make no entries in the spaces provided for the description of the check to be drawn on the Treas-

urer of the United States in payment of the refund.

17. If more than one person on the farm is entitled to a refund, form 325 shall be used for listing such persons and shall be executed in quintuple and attached to Standard Form No. 1047 and Standard Forms No. 1048 executed as above. Form 325 shall be executed as follows:

a Enter the name of the State and county and farm serial numbers in the spaces provided.

b Enter the administrative number in the space provided which shall be the same as the serial number of Standard Form No. 1047 entered under item 2 above.

c Enter the continuation sheet number followed by the number of sheets in the spaces provided.

d Enter in column (1) the names of the payees (all producers on the farm to whom refunds will be made). This will be obtained from column (48) of form 317 and will be the names of the producers for whom entries appear in column (82).

e Enter immediately to the right of the name of each payee the address of such payee.

f Enter in column (2) for each payee the total amount received for him. This amount will be obtained from line (b) of column (75) opposite the payee's name on form 317.

g Enter in column (3) for each payee the total amount to be refunded to him. This amount will be obtained from line (b) of column (82) opposite the payee's name on form 317.

h Make no entry in column (4).

i Enter the total of columns (2) and (3) in the spaces provided. The total of column (3) must equal the amount on line 11(b) of column (82) of form 317, and also the amount shown on Standard Form No. 1047 opposite the words "Balance authorized to be refunded."

j Make no entry in the space provided for signature of the person checking the form.

18. If the person to whom a refund is to be made is other than a producer (cotton buyer or transferee) in accordance with subsection (d) of this section 241, Standard Form No. 1047 (one copy) and Standard Forms No. 1048 (four copies) which have not been printed over shall be prepared as follows:

a Enter in the space provided the serial number which shall be the number next succeeding the last number assigned under item 2 above.

b Make no entry in the space provided for "D. O. Voucher No." as this will be filled in by the Disbursing Office.

c Insert the words "Cotton Buyer, Marketing Year 1939-40" underneath the space provided for the D. O. Voucher number.

d Enter the words "Department of Agriculture, AAA, _____ State Office" (inserting the name of the State) after the letters "U. S."

e Enter the name of the city and State in which the State office is located after the word "Location."

f Enter after the words "Appropriation or fund" the following:

"Special Deposits, 03.37-66.2-200-Suspense, Collection, AAA, Marketing Quotas."

g Enter the name of the payee (the buyer to whom the refund is to be made) after the word "To."

h Enter the address of the payee after the word "Address."

i Enter after the words "Deposit received from the above-named depositor on" the words "Sch. of Col." followed by the serial number and period of the Standard Form No. 1044, Revised, thus:

"Sch. of Col. Cotton-25, Sept. 1939."
(Note: This will entail tracing the form 319 on which the personal funds of the buyer were shown as "Suspense" to the form 359 returned by the State office with the schedule number and period of the Standard Form No. 1044, Revised, shown thereon.)

j Enter the words "Marketing Quotas for cotton for the marketing year 1939-40" after the word "For."

k Enter after the words "Amount of deposit _____ \$" that part of the amount shown on the Standard Form No. 1044, Revised, as "Suspense" which represents the personal funds of the person to whom the refund is to be made and which was in excess of the penalties which were or should have been collected.

l Make no entry after the words "Applied as explained in 'Remarks' below."

m Enter after the words "Balance authorized to be refunded _____ \$" the amount to be refunded, which will equal the amount shown after the words "Amount of deposit _____ \$."

n Enter in the space provided for "Remarks" an explanation of why the refund is due, for example: "Amount to be refunded was remitted by the payee through error and does not represent cotton marketing quota penalties collected from cotton producers nor was the payee obligated to collect or remit such amount to the United States."

o Make no entry in the spaces provided for the date, signature, and title or in the spaces below the double line.

19. Enter in the lower left corner of two copies of Standard Form No. 1043, "Public Voucher for Refunds - Memorandum" the following:

"Approved _____, 19____.
Agricultural Conservation Committee of
_____ County, _____ State.
By _____, Committeeman."

A member of the committee shall sign each such copy and enter the date of his approval and the name of the county and State.

20. Standard Form No. 1047 and three copies of the related Standard Form No. 1048 (one of which shall bear the notation and signature of a member of the county committee as provided in item 19) and the original and three copies of each related form Cotton 325 shall be forwarded to the Secretary of the State Committee. One copy of Standard Form No. 1048 bearing the notation and signature of a member of the county committee as provided in item 19 of this paragraph and one copy of each related form 325 shall be retained in the county office in a pending file. The copy returned at the time the check(s) are drawn shall be filed in numerical order according to serial numbers. At that time the copy of the Standard Form No. 1048 retained in the pending file shall be filed in the farm folder.

Section 242. Transfer of funds from the special deposit account to the General Fund of the Treasury.

(a) Collections and remittances of funds which are in excess of penalties incurred. Where the total collections and remittances of money for any farm are in excess of penalties incurred in connection with the marketing of cotton on the farm, so much of such money as represents penalties incurred shall be transferred from the special deposit account to the credit of account 122450, Penalties, Cotton Marketing quotas, Agricultural Adjustment Act of 1938, (hereinafter referred to as penalties account) at such time as refunds are vouchered to producers on the farm as provided in section 241 of these instructions. In such cases the submission of Standard Form No. 1047 will be sufficient authority for the State office to prepare Standard Form No. 1046, Revised, "Schedule of Transfers - Special Deposits" and take the necessary steps to transfer to the penalties account so much of the money received for the farm which represent penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota. This amount will be the amount entered on Standard Form No. 1047 in accordance with section 241(e) 10 of these instructions. In such cases it will not be necessary to execute form 358 for the farm.

(b) Collections and remittances of funds which are not in excess of penalties incurred. Where the total collections and remittances of money for any farm are not in excess of penalties incurred in connection with the marketing of cotton on the farm, the Secretary of the State Committee shall be advised on form Cotton 358 to transfer such money to the penalties account. The Secretary of the State Committee shall be so advised as soon as possible after (i) a final farm operator's report has been made on form Cotton 317 as provided

in section 226 of these instructions and (ii) the form Cotton 317 has been approved by the county committee and the auditor. Form Cotton 358 shall be executed as follows:

1. Enter in the space provided the schedule number, which shall be "1" for the first form Cotton 358 and continue thereafter in numerical sequence for each additional form Cotton 358 prepared in the county. The number shall be preceded by the letter "p".

2. Enter in the space provided the State and county code number.

3. Enter in the space provided the farm serial number.

4. Enter in the space provided for marketing year the numbers "1939-40."

5. In Part III enter in either columns (1) or (4) the schedule number of each Standard Form No. 1044, Revised, on which money received for the farm was scheduled for deposit to the special deposit account, and in columns (2) or (5) the period of each such scheduled and in columns (3) or (6) the amount of money scheduled for the farm on each such schedule. Where the farm is credited with amounts shown on several forms 319, which are scheduled on the same Standard Form No. 1044, Revised, itemize the amount shown on the Standard Form No. 1044, Revised, to reflect the amount for the farm on each form 319, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
Cotton 51	Sept. 1939	\$24.00
		15.00
Cotton 58	Oct. 1939	9.00

This information will be obtained from the copies of forms 359 returned by the State office and from forms 319. (Note: To obtain this information will entail tracing each form 319, 319-A, and a reference to a transfer from the 1938-39 cotton special deposit trust account, shown in columns (50) through (62) and (67) through (71) of form 317 for the farm to the related form 359.)

6. Enter in the space for the total amount of deposit the sum of the entries in columns (3) and (6). This amount must agree with the amount shown in line 11(b) of column (75) of form Cotton 317 for the farm.

7. Part I of form Cotton 358 shall be signed by a member of the county committee and by the treasurer of the county committee and the date of each signature entered in the space provided therefor.

8. The original and salmon copy of form 358 shall be forwarded to the Secretary of the State Committee and the green copy placed in a pending file. The original copy with Part II executed in the State office will be returned to the county, which when received shall be filed in numerical order according to schedule number. At this time the green copy shall be placed in the farm folder.

Section 243. Additional refunds and transfers.

(a) Records of cotton marketed subsequent to the time refunds or transfers are made. If cotton is marketed from any farm (other than a farm for which funds have been deposited in escrow) subsequent to the time refunds or transfers have been made, but prior to August 1, 1940, the words "See supplement" shall be entered on the form 317 and a new form 317 for the farm shall be prepared as follows:

1. Transcribe the entries for each producer in column (65) of the original form 317 to column (51) of the new form 317 and enter in column (50) of the new form 317 the notation "Balances brought forward from previous farm operator's report."

2. Transcribe the entries for each producer in column (74) of the original form 317 to column (68) of the new form 317 and enter in column (67) of the new form 317 the notation "Balances brought forward from previous farm operator's report."

3. Marketings of cotton subsequent to the time refunds or transfers were first made shall be recorded in the regular manner in columns (52) through (63) and (69) through (72) of the new form 317.

4. Columns (64), (65), (73), (74), and (75) through (89) of the new form 317 shall be executed in the same manner as if no previous refunds or transfers had been made.

(b) Additional refunds. If additional refunds are found to be due, because additional collections exceed the amount of additional penalties incurred, and the conditions set forth in section 241(a) have been met, Standard Form No. 1047 and related forms shall be prepared to reflect (i) the amount collected for the farm subsequent to the time the first Standard Form No. 1047 was approved (total collections for the farm as shown in line 11(b) of column (75) of the

new form 317 less the sum of the amounts shown in line 11(b) of columns (51) and (68) of the new form Cotton 317), (ii) the amount to be transferred to the credit of the penalties account subsequent to the time the first Standard Form No. 1047 was approved (the amount shown on line 11(b) of column (76) of the new form 317 less the amount shown on line 11(b) of column (76) of the original form 317), and (iii) the amount to be refunded to producers since the first Standard Form 1047 was approved (the amounts shown in lines (b) of column (82) of the new form 317 less the amounts shown in lines (b) of column (82) of the original form Cotton 317). If additional refunds are to be made to more than one producer, form 325 will be used and the amount to be shown for each producer in column (2) will be the amount shown opposite his name in column (75) of the new form 317 less the amount shown on the same line and column of the original form 317. The amount to be refunded and entered in column (3) for each producer will be the amount shown opposite his name on line (b) of column (82) of the new form 317 less the amount shown on the same line of the original form 317.

(c) Additional transfers. If no refunds are to be made, the additional amount collected (the sum of the amounts shown in columns (53) through (63) and (69) through (72) of the new form 317) shall be scheduled for transfer to the penalties account on form 358 in the manner explained in section 243(b) of these instructions.

(Comment: The provisions of this section 243 apply in cases where producers on the farm had cotton under the loan on March 1, 1940, and the farm operator's report submitted on such date was not considered final because such cotton was removed from the loan and sold prior to August 1, 1940.)

Section 244. Records of refunds and transfers.

(a) Records of refunds to producers. A record of each Standard Form No. 1047 shall be made as follows:

1. Form Cotton 317.

a Enter on line (c) of column (83) opposite the name of each producer whose name appears on the Standard Form No. 1047 or related form 325 the serial number assigned to such Standard Form No. 1047, and enter on line (a) of column (83) opposite the name of each such producer the date Standard Form No. 1047 was certified by a committeeman.

2. Form Cotton 356.

a Funds in escrow.

(1) Enter in column (6) the date Standard Form No. 1047 is certified by a county committeeman.

(2) Enter in column (7) the serial number of the form 319 issued to the person depositing the funds in escrow followed by a dash and page number of the form Cotton 356 on which the form Cotton 319 is shown in column (2). Each deposit of funds to be held in escrow which is represented by separate forms 319 shall be entered on separate consecutive lines.

(3) Enter in column (8) the farm serial number as shown on form 319.

(4) Enter in column (9) the amount shown for the farm on form 319.

(5) Enter in column (10) the date Standard Form No. 1047 is certified by a county committeeman.

(6) Enter in column (11) the serial number of form 319 as in item (2) above.

(7) Make no entry in column (12).

(8) Enter in column (13) the farm serial number.

(9) Enter in column (14) the amount shown for the farm on form 319.

(10) Enter in column (15) the transmittal number of the form 359 on which the funds in escrow were scheduled for deposit.

(11) Enter in column (16) the date Standard Form No. 1047 is certified by a county committeeman.

(12) Enter in column (17) the farm serial number.

(13) Make no entry in column (18).

(14) Enter in column (19) the serial number of Standard Form No. 1047.

(15) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related form 325. The first

payee shall be entered on the line opposite the serial number of the Standard Form No. 1047.

(16) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below" enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(17) If there is only one payee enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded \$," appearing on Standard Form No. 1047. If there are several payees enter in column (21) the amount for each such payee shown on the related form 325.

(18) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

b Collections not held in escrow.

(1) Enter in column (16) the date Standard Form No. 1047 is certified by a county committeeman.

(2) Enter in column (17) the farm serial number.

(3) Make no entry in column (18).

(4) Enter in column (19) the serial number of Standard Form No. 1047.

(5) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related form 325. The first payee shall be entered on the line opposite the serial number of the Standard Form No. 1047.

(6) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below," enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(7) If there is only one payee enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded \$" appearing on Standard Form No. 1047. If there are several payees enter in column (21) the amount for each such payee shown on the related form 325.

(8) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

(b) Records of refunds to persons other than producers. A record of each Standard Form No. 1047 prepared for refunds to persons other than producers (buyers) shall be made on form 356 as follows:

a Enter in column (16) the date Standard Form No. 1047 was approved by the county committeemen signing the copies of Standard Form No. 1048.

b Enter in column (17) the notation "Buyer."

c Make no entry in column (18).

d Enter in column (19) the serial number of Standard Form No. 1047.

e Enter in column (20) the name of the person to whom the refund is to be made.

f Enter in column (21) the amount shown on Standard Form No. 1047 following the words "Balance authorized to be refunded."

(c) Records of transfers. A record of each form 358 shall be made as follows:

1. Form Cotton 317.

a. Enter underneath the entry on line 11(b) of column (75) of form 317 the schedule number of form 358.

2. Form Cotton 356.

a Funds in escrow.

(1) If a form 358 is prepared for a farm for which funds in escrow have been deposited, form 358 shall be recorded on form 356 in the same manner as set forth in subsection (a)2~~a~~ of this section 244 except,

(i) the date to be entered in the appropriate columns will be the date form 358 is certified by a county committeeman;

(ii) the entry to be made in column (18) will be the schedule number of form 358 and no entry will be made in column (19);

(iii) only one entry will be made in column (20) which shall be the words "Penalties Account";

(iv) only one entry will be made in column (21) which shall be the total amount of form 358.

b Collections not held in escrow.

(1) Enter in column (16) the date form 358 is certified by a county committeeman.

(2) Enter in column (17) the farm serial number.

(3) Enter in column (18) the schedule number of form Cotton 358.

(4) Make no entry in column (19).

(5) Enter in column (20) the words "Penalties Account."

(6) Enter in column (21) the total amount of form 358.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1939

PART II. COUNTY OFFICE RECORDS AND REPORTS

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H. REPORTS TO THE STATE OFFICE

Sec. 245. Preparation of Reports on Farm Accounts. (a) Conditions under which Forms 361 shall be prepared.- A report on Form 361 shall be prepared for each farm for which a Form 317 was executed as outlined in section 225 of these instructions and shall reflect the facts in connection with each such farm after the account therefor during the 1939-1940 marketing year has been closed. The account for each such farm shall be considered to be closed after the farm operator's final report has been made and approved by the county committee^{1/} and the amounts remitted in connection with the farm have been certified for refund or for transfer from the special deposit account to the general fund of the Treasury, or both.^{2/} The reports on Form 361 shall first be prepared and submitted to the State office not later than twenty days after all farm accounts have been closed or March 1, 1940, whichever is the earlier. If the farm accounts for all farms have not been closed on or before March 1, 1940, the report on Form 361 for each farm account which is not closed shall be a preliminary report which shall reflect the status of the account as of the close of business on March 1, 1940 and thereafter an additional report for such farm accounts shall be prepared and submitted to the State office not later than five days after the farm accounts for all farms have been closed or August 1, 1940, whichever is the earlier.

(b) Initial preparation of Form 361.- The reports on Form 361 which are to be forwarded to the State office not later than March 20, 1940 (hereinafter referred to as the first report on Form 361), shall be prepared with an original and one copy as follows:

1. In the space provided enter the State and county code and farm serial number.

2. In the space provided after the words "Exception No." enter the number of the exception set forth in section 219 (a) of these instructions under which the farm account was established; as, for example, in the case of an overplanted farm, the exception will be "1", or, in case a red marketing card was issued to enforce the provisions of the Act, the exception will be "8". If the account was established because the producer had carryover cotton but was not engaged in 1939 in the production of cotton, enter the words "Not producing cotton".^{3/}

3. In the spaces provided enter the sheet number and total number of sheets of Form 361 required to list the information for the farm and the marketing year which shall be designated by the symbol "1939-1940".

1/ See sec. 226 of these instructions and sec. 804 (b) of the regulations.

2/ See secs. 241 through 244 of these instructions.

3/ See the last sentence of sec. 225 (a) of these instructions.

4. If the farm account is not closed, enter the word "Preliminary" above the title. No entry above the title shall be made for other farms for which the farm account is closed.

5. In case a bond of indemnity on Form 323 was accepted for the farm, or funds to be held in escrow were accepted for the farm, or white marketing cards were issued pursuant to section 501 (c) or 501 (d) of the regulations, enter the word "Bond" or "Escrow" or "1000 pounds" or "Penalty secured", respectively, as the case may be, above the words "Name of Producer" in the heading of column (1).^{4/}

6. In column (1) enter the names of all cotton producers on the farm in the order in which they appear in column (1) of the related Form 317. If a producer was located in 1938 on a farm for which a farm account on Form 254 was established, enter in parentheses to the right of the producer's name, on the next succeeding line if more space is required, the serial number of the farm or farms in 1938 for which the farm accounts were established.^{5/}

7. In column (2) and in the heading thereof enter the information for the farm as it appears in column (2) and in the heading thereof on the related Form 317.^{6/}

8. In column (3) and in the heading thereof enter the information for the farm as it appears in column (3) and in the heading thereof on the related Form 317.^{7/} If a change in the amount of initial producer marketing quotas was made under item (4) of section 304 of the regulations, a copy of the memorandum showing the reason for the change must be attached to the original of Form 361.

9. In column (4) enter the information for the farm as it appears in column (4) of the related Form 317.^{8/}

10. In column (5) enter the information for the farm as it appears in column (5) of the related Form 317.^{9/}

11. Make no entry in column (6).

12. In column (7) enter the information for the farm as it appears in column (6) of the related Form 317.^{10/}

^{4/} See sec. 225 (b) 1 of these instructions.

^{5/} See sec. 225 (b) 2 of these instructions.

^{6/} See items 3 and 4 of sec. 225 (b) of these instructions.

^{7/} See sec. 225 (c) of these instructions.

^{8/} See sec. 225 (d) 1 of these instructions.

^{9/} See sec. 225 (d) 2 of these instructions.

^{10/} See sec. 225 (d) 3 of these instructions.

13. In column (8) enter the information for the farm as it appears in column (7) of the related Form 317.^{11/}

14. Make no entry in column (9).

15. In the heading of column (10), following the words "Yield per acre:" enter the average yield per acre of the acreage planted to cotton in 1939 on the farm as it was reported at the time the last intermediate reapportionment was made. If no intermediate reapportionment was made for the farm, enter the word "None".^{12/}

16. In column (10) opposite the name of each producer enter the amount of his producer marketing quota as it was determined at the time the last intermediate reapportionment of producer marketing quotas for the farm was made and on line 11 thereof enter the sum of the producer marketing quotas so entered.^{13/} If an entry appears in column (34) or column (37) of the related Form 317 for any producer, the entry in column (10) of Form 361 opposite his name shall be circled in red.^{14/} In the heading of column (10) following the words "Intermediate reapportionment:", enter the amount shown in the heading of column (38) of the related Form 317, or, if no entry appears therein, the entry in the heading of column (35) of Form 317.^{15/} If no intermediate reapportionment was made for the farm, make no entry in column (10). If a change in the amount of producer marketing quotas determined as a result of an intermediate reapportionment was made under item (4) of section 304 of the regulations, a copy of the memorandum showing the reason for the change must be attached to the original of Form 361.^{16/}

17. In the heading of column (11), following the words "Actual Yield per acre:", enter the average yield per acre of lint cotton for the farm in 1939 as shown on line 13 of column (33) of the related Form 317.^{17/}

18. In column (11) opposite each producer's name enter the amount of his share in the cotton produced in 1939 on the farm as shown in column (33) of the related Form 317 and enter on line 11 of column (11) the total amount of cotton produced in 1939 on the farm as shown on line 11 of column (33) of the related Form 317.^{18/}

^{11/} See sec. 225 (d) 4 of these instructions.

^{12/} See items 2 and 13 of sec. 225 (f) of these instructions.

^{13/} See sec. 225 (f) of these instructions.

^{14/} See items 1 and 7 of sec. 225 (f) of these instructions.

^{15/} See item 5 and clause (iii) of item 8 of section 225 (f) of these instructions.

^{16/} See sec. 225 (f) 11 of these instructions.

^{17/} See the last sentence of sec. 225 (e) 4 and sec. 225 (g) 2 of these instructions.

^{18/} See also sec. 225 (g) 1 of these instructions.

19. In the heading of column (18), following the words "Final adjusted share in actual production of acreage allotment:", enter the percentage figure in the heading of column (45) of the related Form 317, or, if no entry appears in column (45), enter the figure in column (43) of the related Form 317, or, if no entry appears in column (43), enter the figure in column (41) of the related Form 317.19/

20. In column (12) enter the information for the farm as shown in column (46) of the related Form 317.20/

21. In column (13) enter the information for the farm as shown in column (47) of the related Form 317 and circle the amount shown therein for any producer for whom, in the computation of final producer marketing quotas, an adjustment was made as outlined in either item 7 or 8 or 16 or 17 of section 225 (g) of these instructions, or for whom the entry in column (10) of Form 361 was circled as provided in item 16 of this paragraph.21/

22. In column (14) enter the names of all cotton producers on the farm in the order in which they appear in column (1).

23. In column (15) enter the information for the farm as shown in column (75) of the related Form 317.22/ If the Form 361 is marked "Preliminary" and no entries appear in column (75) of the related Form 317, enter for each producer in column (15) of Form 361 the sum of the entries in columns (51) through (64) and columns (68) through (73) of the related Form 317.

24. In column (16) enter the information for the farm as shown in column (76) of the related Form 317.23/ If the Form 361 is marked "Preliminary" and no entries appear in column (76) of the related Form 317, enter for each producer on line (a) of column (16) of Form 361 the result obtained by subtracting the entry in column (13) of Form 361 from the entry on line (a) of column (15) thereof.

25. In column (17) enter the information for the farm as shown in column (77) of the related Form 317.24/ If the Form 361 is marked "Preliminary" and no entries appear in column (77) of the related Form 317, enter for each producer on line (a) of column (17) of Form 361 the result obtained by subtracting the entry in column (13) of Form 361 from the entry on line (a) of column (15) thereof,

19/ See items 5, 14, and 19 of sec. 225 (g) of these instructions.

20/ See items 20, 21, 22, and 24 of sec. 225 (g) of these instructions.

21/ See sec. 225 (g) 25 of these instructions.

22/ See sec. 225 (p) of these instructions.

23/ See items 1, 6, and 7 of sec. 225 (q) of these instructions.

24/ See items 2, 5, and 7 of sec. 225 (q) of these instructions.

except that the entry in column (17) shall not exceed the entry in column (5) of Form 361 for the producer.

26. In column (18) enter the information for the farm as shown in column (78) of the related Form 317.^{25/} If the Form 361 is marked "Preliminary" and no entries appear in column (78) of the related Form 317, enter for each producer on line (a) of column (18) of Form 361 the result obtained by subtracting from the entry on line (a) of column (15) of Form 361 the sum of the entries in columns (13) and (17) thereof. On line (b) in column (18) enter the product obtained by multiplying the entry on line (a) thereof by 3 cents. On line (b) in column (17) enter the product obtained by multiplying the entry on line (a) thereof by 2 cents. On line (b) of column (16) enter the sum of the entries appearing on line (b) of columns (17) and (18).

27. In column (19) enter the information for the farm as shown in column (79) of the related Form 317.^{26/} If the Form 361 is marked "Preliminary" and no entry appears in column (79) of the related Form 317, enter for each producer on line (b) of column (19) the amount, if any, by which the entry on line (b) of column (16) of Form 361 exceeds the entry on line (b) of column (15) thereof and the sum of the entries in column (19) shall be entered on line 11 (b) thereof.

28. In column (20) enter the information for the farm as shown in column (80) of the related Form 317.^{27/} If the Form 361 is marked "Preliminary" and no entry appears in column (80) of the related Form 317, enter for each producer on line (b) of column (20) of Form 361 the amount, if any, by which the entry on line (b) of column (16) of Form 361 is less than the entry on line (b) of column (15) thereof and the sum of the entries in column (20) shall be entered on line 11 (b) thereof.

29. If the amount shown on line 11 (b) of column (19) exceeds the amount shown on line 11 (b) of column (20), enter the difference in the heading of column (19) following the words "Penalties incurred but not paid:". The amount so entered must be equal to the amount by which the entry on line 11 (b) of column (16) exceeds the entry on line 11 (b) of column (15). If the entry on line 11 (b) of column (20) exceeds the entry on line 11 (b) of column (19), make no entry in the heading of column (19).

30. In column (21) enter the information for the farm as shown in column (82) of the related Form 317.^{28/}

^{25/} See items 3, 4, and 7 of sec. 225 (q) of these instructions.

^{26/} See sec. 225 (r) 1 of these instructions.

^{27/} See sec. 225 (r) 2 of these instructions.

^{28/} See sec. 225 (r) 3 of these instructions.

31. If a refund was certified to be made to any producer on the farm or if no refund was made but the amounts remitted for the farm have been transferred from the special deposit account to the general fund of the Treasury, enter in the heading of column (21) following the words "Voucher No.:" the serial number or numbers of Standard Form No. 1047 or the schedule number or numbers of Forms 358, or both, as the case may be.^{29/} If the Form 361 is marked "Preliminary" and the amounts remitted in connection with the farm have not been refunded or transferred, enter in the heading of column (21) the word "None".

32. The amount of unmarketed cotton for each farm shall be determined prior to the preparation of Form 361 in the manner outlined in section 225 (s) of these instructions. If there is any unmarketed cotton, other than cotton pledged as security for a Commodity Credit Corporation loan, the word "Preliminary" shall be entered above the title of Form 361. A copy of the memorandum prepared as outlined in section 225 (s) of these instructions shall be attached to the original of Form 361. If Form 361 is to be marked "Preliminary", the amount of unmarketed cotton shall not be entered at that time in columns (84) through (89) of Form 317.

33. On line (a) of column (22) of Form 361 enter opposite the name of each producer the number of pounds of his cotton which if marketed would not be subject to penalty and which is not pledged as security for a Commodity Credit Corporation loan.

34. On line (a) of column (23) of Form 361 enter opposite each producer's name the number of pounds of his cotton which if marketed would be subject to the penalty at the rate of 2 cents per pound and which is not pledged as security for a Commodity Credit Corporation loan.

35. On line (a) of column (24) of Form 361 enter opposite each producer's name the number of pounds of his cotton which if marketed would be subject to the penalty of 3 cents per pound and which is not pledged as security for a Commodity Credit Corporation loan.

36. On line (a) of column (25) of Form 361 enter opposite each producer's name the number of pounds of his cotton which if marketed would not be subject to the penalty and which is pledged as security for a Commodity Credit Corporation loan.

37. On line (a) of column (26) of Form 361 enter opposite each producer's name the number of pounds of his cotton which if marketed would be subject to the penalty of 2 cents per pound and which is pledged as security for a Commodity Credit Corporation loan.

^{29/} See secs. 241 through 244 of these instructions.

38. On line (a) of column (27) of Form 361 enter opposite each producer's name the number of pounds of his cotton which if marketed would be subject to the penalty of 3 cents per pound and which is pledged as security for a Commodity Credit Corporation loan.

39. On line 11 (a) of columns (22) through (27) enter the sum of the entries appearing therein.

40. In the spaces provided enter the name of each producer who has an interest as a cotton producer in more than one farm and the State and county code and farm serial number of each farm in which he has an interest as a cotton producer, with the exception of the farm for which the Form 361 is prepared.

(c) Preparation of additional Forms 361.- An additional Form 361 shall be prepared under the conditions set forth in paragraph (a) of this section for each farm for which the Form 361 prepared as outlined in paragraph (b) of this section was marked "Preliminary", or which was not marked "Preliminary" because all unmarketed cotton was pledged as security for a Commodity Credit Corporation loan at the time Form 361 was first submitted and a portion or all of such cotton was subsequently marketed. The additional Form 361 shall be prepared in accordance with paragraph (b) of this section, with the exception that the word "Final" shall be entered above the title of Form 361.

(d) Notice to the State office where unpaid penalties shown on Forms 361 are subsequently remitted.- Whenever the amount of an unpaid penalty which was shown in the heading of column (19) of a Form 361 submitted pursuant to paragraph (b) of this section and not marked "Preliminary" or submitted pursuant to paragraph (c) of this section and marked "Final" is remitted to the treasurer of the county committee, the amount thereof shall be forwarded to the State office in accordance with the established procedure and, in addition, a report on Form 365 shall be prepared as a supplement to the report previously made on Form 361. Form 365 shall be prepared in triplicate as follows:

1. In the spaces provided enter the State and county code number and the farm serial number.

2. In the space provided after the words "Transmittal No." enter the transmittal number of the Form 359 on which the collection was scheduled to the State office.

3. In the space provided after the words "Marketing Year" enter the legend "1939-1940".

4. In column A enter the name of each producer for whom the remittance is made and the names of the other producers for

whom an unpaid penalty for the farm appears in column (19) of Form 361.

4. In column B enter opposite the name of each producer the amount of the collection made for him.

5. In the heading of column B after the words "Amount owed for the farm:" enter the amount shown in the heading of column (19) of Form 361, or, in the event a collection of an unpaid penalty for the farm has previously been made, enter the amount shown in the heading of column C of the Form 365 last executed for the farm.

6. In column B opposite the word "Total" enter the total amount of the collection which must agree with the sum of the entries in column B.

7. In column C opposite each producer's name enter the amount of the penalty shown in column (19) of Form 361 minus the amount shown opposite his name in column B of the current and all previous Forms 365.

8. In the heading of column C after the words "Amount remaining unpaid for the farm:" enter the result obtained by subtracting from the entry in the heading of column (19) of the related Form 361 the sum of the entries in column B opposite the word "Total" of the current and all previous Forms 365.

9. In column C opposite the word "Total" enter the sum of the entries appearing therein. The total of column C will not necessarily equal the amount in the heading of column C but the total of column C should not be less than the total in the heading of column C.

10. The treasurer of the county committee shall sign his name in the space provided and enter his title and the date of his signature.

11. The original and one copy shall be forwarded to the State office and one copy shall be attached to the county office copy of the Form 361 to which it relates.

12. When the amount of the collection is subsequently authorized by the auditor to be certified for transfer from the special deposit account to the general fund of the Treasury or to be refunded, or both, the schedule number of Form 358 or the serial number of Standard Form No. 1047 shall be entered after the words "Voucher No.:" and, in the spaces provided thereunder, the date of the schedule or voucher, the amount of the collection certified to be transferred to the general fund of the Treasury, and the amount, if any, of the collection certified to be refunded shall be entered.

Sec. 246. Preparation of the County Summary of Cotton Marketing Quotas. (a) Conditions under which Forms 362 and 363 will be prepared.- A report on Forms 362 and 363 shall first be prepared.

to reflect the status of the cotton marketing quota work in the county at the time that the first Forms 361 are prepared as outlined in section 245 (b) of these instructions and shall be transmitted to the State office with the first Forms 361. The Form 363 so prepared (hereinafter referred to as the first Form 363) shall reflect the status of farm accounts and collections and disbursements in connection therewith as of the time all farm accounts were closed or at the close of business on March 1, 1940, whichever is the earlier. An additional report on Form 363 shall thereafter be prepared and submitted without Forms 361 to the State office at the end of each month (hereinafter referred to as monthly reports on Forms 363) to reflect the status of the work in the county as of the last business day in the month until final reports on Form 361 are prepared as outlined in section 245 (c) of these instructions, at which time a final report on Form 363 shall be prepared and transmitted to the State office with the final reports on Form 361. In case of monthly reports on Form 363, Part II thereof need not be executed.

(b) General instructions relating to Form 362.- The report on Form 362 shall be prepared in duplicate. In the spaces indicated, enter the name of the county, the name of the State, the State and county code number, and the marketing year which shall be designated by the symbol "1939-1940".

(c) Preparation of Part I of Form 362.- The use and disposition of Forms 311, 311-A, 312, 314, 319, and 319-A shall be recorded in Part I of Form 362 as follows:30/

1. In column 1 enter on separate lines in numerical order the designations "311", "311-A", "312", "314", "319", and "319-A".

2. In column 2 enter for each serially-numbered form the number of copies thereof which were issued or prepared for issuance, including any of the forms which were canceled, destroyed, mutilated, or undelivered by the county office.

3. In columns 3 and 4 for each serially-numbered form enter the inclusive serial numbers of the copies issued or prepared for issuance.

4. In column 5 enter for each serially-numbered form the number of blank copies thereof which were consigned to the county but were not used or issued.

5. In columns 6 and 7 enter for each serially-numbered form the inclusive serial numbers of the unused copies thereof which were consigned to the county.

6. In column 8 enter for each serially-numbered form the number of copies thereof which were consigned to the county. The

sum of the entries in columns 2 and 5 for the form should equal the number consigned to the county as shown in column 8.

7. In columns 9 and 10 enter for each serially-numbered form the inclusive serial numbers of the copies thereof which were consigned to the county.

(d) Canceled, destroyed, stolen, mutilated, or undelivered marketing cards.- The serial numbers of any Forms 311, 311-A, 312, or 314 which were canceled, destroyed, stolen, mutilated, or undelivered by the county office shall be listed by forms in serial number order on a separate sheet of paper which shall show whether the marketing card or certificate was canceled, destroyed, stolen, mutilated, or undelivered. In the case of canceled marketing cards or certificates, the reason for the cancellation shall also be given. In the case of an undelivered marketing card or certificate, the reason for the failure or inability to deliver it shall be given together with a brief statement of the disposition which the producer to whom the card or certificate should have been delivered made of his cotton, the names of the buyers, and the action taken by the county committee in connection therewith.^{31/}

(e) Transmitting unused serially-numbered forms to the State office.- The unused copies of Forms 311; 311-A; 312 and 313; 314 and 315; 319, and 319-A, with the exception of a supply thereof which it is estimated may be required in connection with the unclosed farm accounts and penalties which have been or may be incurred, shall be returned to the State office at the time the first report on Form 362 is made. The forms to be returned shall be listed on a letter of transmittal on Form 352 which shall be prepared in triplicate and signed by the treasurer of the county committee. The original of Form 352 shall accompany the original of Form 362 to the State office; one copy of Form 352 shall accompany the package in which the returned forms are transmitted, and one copy shall be retained in the files of the treasurer of the county committee. The copy of Form 352 which is forwarded to the State office will be returned by it to the treasurer of the county committee as a receipt for the forms.

(f) Preparation of Part II of Form 362.- A summary of the amount of cotton shown on gin reports shall be entered in Part II of Form 362 as follows:

1. In column 1 enter the number of gins in the county plus the number of gins in other counties from which gin reports or extracts therefrom were received.

2. In column 2 enter the sum of the entries made in column

^{31/} A report on canceled, destroyed, or mutilated Forms 319 or 319-A will have been made to the State office in the regular course of remitting to that office the amounts received as penalties.

(B), Part I of Form 353 in accordance with section 215 (b) of these instructions, that is, the gross weight of cotton ginned by all gins located in the county plus the gross weight of cotton shown on extracts received from other counties.

3. In column 3 enter the number of square bales of cotton ginned in the county plus the number of square bales reported on extracts from other counties, exclusive of the number of bales thereof on which bagging of cotton was used.

4. In column 4 enter the number of bales of cotton ginned in the county plus the number of bales reported on extracts from other counties on which the bagging was made of cotton. The sum of the entries in columns 3 and 4 should be equal to the sum of the entries made in column (C), Part I of Form 353 in accordance with section 215 (b) of these instructions.

5. In column 5 enter the sum of the entries made in column (D), Part I of Form 353 in accordance with section 215 (b) of these instructions, that is, the number of round bales reported by gins located in the county plus the number of round bales reported on extracts received from other counties.

6. In column 6 enter the sum of the entries made in column (E), Part I of Form 353 in accordance with section 215 (b) of these instructions, that is, the weight of bagging and ties for cotton ginned by gins located in the county plus the weight of bagging and ties for cotton shown on extracts received from other counties.

7. In column 7 enter the sum of the entries made in column (F), Part I of Form 353 in accordance with section 215 (b) of these instructions, that is, the net weight of cotton ginned by gins located in the county plus the net weight of cotton shown on extracts received from other counties.

8. In column 8 enter the sum of the entries made in column (G), Part I of Form 353 in accordance with section 215 (b) of these instructions, that is, the net weight of cotton shown on extracts which were furnished to other counties.

9. In column 9 enter the sum of the entries made in column (H), Part I of Form 353 in accordance with section 215 (b) of these instructions, that is, the net weight of cotton ginned by gins located in the county for farms located in the county plus the net weight of cotton ginned for farms in the county which was reported on extracts received from other counties.

(g) Preparation of Part III of Form 362.— A classification of farms for the purposes of cotton marketing quotas and the amount of cotton produced for farms in each classification in the county shall be entered in Part III of Form 362 as follows:

1. In the heading of column 1 enter the number of farms for which farm accounts on Form 317 were established pursuant to section 225 (a) of these instructions.

2. On the first line in column 2 enter the number of under-planted farms in the county in connection with which one or more producers had carryover penalty cotton. On the second line in column 2 enter the sum of the cotton acreage allotments for such farms. On the third line in column 2 enter the sum of the acreages planted to cotton on such farms. On the fourth line in column 2 enter the amount by which the entry on the second line thereof exceeds the entry on the third line thereof and enter a minus sign (-) to the left of the amount so entered. On the fifth line in column 2 enter the total net weight of the cotton produced on such farms.

3. On the first line in column 3 enter the number of under-planted farms in the county in connection with which no carryover penalty cotton was to be marketed but on which there are one or more producers who have an interest in an overplanted farm or a farm in connection with which they or any other producers had carryover penalty cotton and for which farm accounts were established on Form 317. On the second line in column 3 enter the sum of the cotton acreage allotments for such farms. On the third line in column 3 enter the sum of the ~~acreages~~ acreages planted to cotton on such farms. On the fourth line in column 3 enter the amount by which the entry on the second line thereof exceeds the entry on the third line thereof and enter a minus sign (-) to the left of the amount so entered. On the fifth line in column 3 enter the total net weight of the cotton produced on such farms.

4. On the first line of column 4 enter the number of farms in the county for which red marketing cards were issued pursuant to exception number 8 to section 219 (a) of these instructions. On the second line in column 4 enter the sum of the cotton acreage allotments for such farms. On the third line in column 4 enter the sum of the acreages planted to cotton on such farms. On the fourth line in column 4 enter the amount by which the entry on the second line thereof exceeds the entry on the third line thereof and enter a minus sign (-) to the left of the amount so entered. On the fifth line in column 4 enter the total net weight of the cotton produced on such farms.

5. On the first line in column 5 enter the number of under-planted farms in the county which are not tabulated in columns 2, 3, and 4. On the second line in column 5 enter the sum of the cotton acreage allotments for such farms. On the third line in column 5 enter the sum of the acreages planted to cotton on such farms. On the fourth line in column 5 enter the amount by which the entry on the second line thereof exceeds the entry on the third line thereof and enter a minus sign (-) to the left of the amount so entered. On the fifth line in column 5 enter the total net weight of

the cotton produced on such farms.

6. On the first line in column 6 enter the number of over-planted farms in the county in connection with which no producer has carryover penalty cotton. On the second line in column 6 enter the sum of the cotton acreage allotments for such farms. On the third line in column 6 enter the sum of the acreages planted to cotton on such farms. On the fourth line of column 6 enter the amount by which the entry on the third line thereof exceeds the entry on the second line thereof and enter a plus sign (+) to the left of the amount so entered. On the fifth line in column 6 enter the total net weight of the cotton ginned for such farms.

7. On the first line in column 7 enter the number of over-planted farms in the county in connection with which one or more producers have carryover penalty cotton. On the second line in column 7 enter the sum of the cotton acreage allotments for such farms. On the third line in column 7 enter the sum of the acreages planted to cotton on such farms. On the fourth line in column 7 enter the amount by which the entry on the third line thereof exceeds the entry on the second line thereof and enter a plus sign (+) to the left of the amount so entered. On the fifth line in column 7 enter the total net weight of the cotton produced on such farms.

8. On the first line in column 8 enter the number of farms, exclusive of the "new grower" farms for which cotton acreage allotments were established but on which no cotton was planted in 1939. On the second and fourth lines in column 8 enter the sum of the cotton acreage allotments for such farms and enter a minus sign (-) to the left of the amount on the fourth line. Make no entries on the second and fifth lines of column 8.

9. On the first, second, third, and fifth lines in column 9 enter the sum of the entries appearing on such lines in columns 2 through 8 and on the fourth line in column 9 enter the algebraic sum of the entries appearing thereon in columns 2 through 8.

(h) General instructions relating to Form 363.- The report on Form 363 shall be prepared in duplicate. In the spaces indicated, enter the name of the county, the name of the State, the State and county code number, and the marketing year which shall be designated by the symbol "1939-1940". If all farm accounts are closed at the time the report on Form 363 is first prepared, the word "Final" shall be entered above the title of Form 363. If any of the reports on Form 361 are marked "Preliminary" at the time Form 363 is first prepared, the word "Preliminary" shall be entered above the title of Form 363. Any monthly report on Form 363 after the first report as provided in section 246 (a) of these instructions shall be designated by the name of the month covered by the report. The word "Final" shall be entered above the title of the Form 363 which is prepared to accompany any final reports on Form 361 prepared as outlined in section 245 (c) of these instructions.

(i) Preparation of Part I of Form 363.- A summary of the receipts and disbursements from the special deposit account shall be made in Part I of Form 363 as follows:

1. In column 1 enter the total amount of the funds transferred from the 1938-1939 Cotton Special Deposit Trust Account to be held in escrow for the 1939-1940 marketing year.32/

2. In column 2 enter the total amount of the funds received to be held in escrow for the 1939-1940 marketing year which were not transferred from the 1938-1939 Cotton Special Deposit Trust Account.33/

3. In column 3 enter the sum of the amounts appearing in columns 1 and 2 which must be equal to the sum of the entries made in column 4 of Form 356.

4. In column 4 enter the sum of the amounts appearing in column (9) of Form 356.34/

5. In column 5 enter the amount by which the entry in column 3 exceeds the amount in column 4.

6. In column 6 enter the amount of the funds transferred from the 1938-1939 Cotton Special Deposit Trust Account which were not to be held in escrow during the 1939-1940 marketing year.35/

7. In column 7 enter the amount of the collections, other than funds to be held in escrow, which were received during the 1939-1940 marketing year^{36/} plus the amounts held in escrow which were transferred to collections as shown in column (9) of Form 356.

8. In column 8 enter the sum of the amounts in columns 6 and 7 which must agree with the sum of the amounts in column (14) of Form 356.

9. In column 9 enter the sum of the amounts certified on Standard Forms No. 1047 for refund.37/

10. In column 10 enter the sum of the amounts certified on Standard Forms No. 1047 and Forms 358 for transfer from the special deposit account to the general fund of the Treasury.37/

32/ See item 22 of sec. 224 and sec. 238 (n) of these instructions.

33/ See sec. 238 (c) of these instructions.

34/ See sec. 244 (a) 2 a of these instructions.

35/ See item 27 of sec. 224 and secs. 225 (h) 7 and 234 (g) of these instructions.

36/ See paragraphs (d) and (e) of sec. 234 of these instructions.

37/ See secs. 241 through 244 of these instructions.

11. In column 11 enter the sum of the amounts in columns 9 and 10 which must be equal to the sum of the amounts in column (21) of Form 356.

12. In column 12 enter the amount by which column 8 exceeds column 11.

13. In column 13 enter the sum of the amounts in columns 5 and 12.

14. In column 14 enter the sum of the amounts of penalties which were collected through setting off the amount of the penalties owed against payments accruing to producers under any of the programs administered by the Agricultural Adjustment Administration.

15. In column 15 enter the sum of the amounts appearing in columns 10 and 14.

(j) Preparation of Part II of Form 363.- A summary of the amount of cotton marketed subject to penalty and of the amount of the penalties incurred and unpaid as shown on Form 361 shall be made in Part II of Form 363 as follows:

1. In column 1 enter the sum of the entries appearing on line 11 (a) of column (16) of Forms 361.

2. In column 2 enter the sum of the entries appearing on line 11 (a) of column (17) of Forms 361.

3. In column 3 enter the sum of the entries appearing on line 11 (a) of column (18) of Forms 361.

4. In column 4 enter the sum of the entries appearing on line 11 (b) of column (16) of Forms 361.

5. In column 5 enter the sum of the entries appearing on line 11 (b) of column (17) of Forms 361.

6. In column 6 enter the sum of the entries appearing on line 11 (b) of column (18) of Forms 361.

7. In column 7 enter the sum of the entries appearing in the heading of column (19) of Form 361 after the words "Penalties incurred but not paid:".

Sec. 247. Submission of Reports to the State Office. After the reports on Forms 361 and 362 and 363 and the related forms and statements have been prepared as outlined in sections 245 and 246 of these instructions, the reports shall be reviewed by the county committee and its treasurer and, if found to be correct, shall be

approved by the county committee and its treasurer by having each county committeeman and the treasurer sign his name in the space provided therefor on Forms 362 and 363 and enter the date thereof in the spaces provided. The originals of the reports on Forms 361 and 362 and 363 together with the originals of the related statements and forms shall then be transmitted to the State office and one copy of the reports and related statements and forms shall be kept in the files of the treasurer of the county committee.

